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13 November 1980

# Japan Report

(FOUO 31/80)



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## JAPAN REPORT

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POLITICAL AND SOCIOLOGICAL

JAPAN'S POSITION AS UNSC MEMBER ASSESSED

OW240955 Tokyo ASAHI EVENING NEWS in English 23 Oct 80 p 5

[ASAHI SHIMBUN 22 October editorial: "Japan as UNSC Member"]

[Text] After 4 years, Japan was reelected a nonpermanent member of the United Nations Security Council. Japan will be on the council for 2 years from January 1981. The Security Council has five permanent members--the United States, China, the Soviet Union, France and Britain--and 10 nonpermanent members, which are elected by the General Assembly. It is the most important peace preservation agency in the United Nations.

Japan has now been elected a nonpermanent member five times, more times than any other nation except for Brazil. This is only proper, considering Japan's enormous economic power and the growth of her political influence. Japan should meet the expectations of other nations by taking the lead in strengthening the peacekeeping functions of the Security Council.

The next 2 years will be full of difficulties for the United Nations. Despite the fact that the nations of the world depend upon one another more than ever before, conflicts and disputes between East and West and between north and south continually break out. It is often said that the capacity of the United Nations to deal with global problems is limited, but, in the past, it has overcome many obstacles and has been very active in various fields. The United Nations should be still more active, and if international tension is to be eased in the 1980's, Japan must make as much use as possible of its status as a "peaceable nation" in the Security Council.

Two years ago, Japan was defeated by Bangladesh for a seat on the Security Council but in the recent voting Japan was supported by all the Asian nations and was elected almost without opposition. This could not have happened if Japan had not been widely supported by the nations of the Third World.

The new nations of the Third World constitute the largest group of nations in the United Nations and their voice is becoming stronger year by year. Japan has, of course, to cooperate with the advanced Western nations, but it has also to maintain friendly ties with the Third World.

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Japan is the only Asian nation to have participated in the summits of the major advanced countries and it should take the lead in encouraging peaceful relations between East and West and between north and south. If Japan cooperates with the other nonpermanent members of the Security Council and with the nations that want peace, it should be able to achieve a measure of success in this.

Japan should also dissuade the permanent members from using their right of veto arbitrarily, a practice that vitiates the functions of the Security Council, and persuade them to respect the UN Charter and the resolutions of the Security Council. Japan should also give every assistance to the UN secretary-general when he is mediating in a dispute or attempting to determine the causes of a dispute.

The difficult problems that face the United Nations--the war between Iran and Iraq and the problems of Afghanistan, Palestine, Cambodia and southern Africa--are practically all in the Third World. These regional disputes are a cause of the increased tension throughout the world and the little progress made in nuclear disarmament talks. Immediate action has to be taken to prevent these regional disputes from developing into a global crisis. The Security Council is the most appropriate organ for settling these disputes. Both in name and in fact Japan has been given the role of a "bond for peace."

At the very least, Japan should state unequivocally that the five major nations which are permanent members of the Security Council should not take sides in these disputes. And Japan should take particular pains to ask--unofficially of course--the U.S., USSR and China not to increase their military aid to nations involved in disputes. If the great powers are not interested in preserving world peace, they are not in a position to ask the radical nationalists of the Third World to act with restraint.

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POLITICAL AND SOCIOLOGICAL

LDP LEADER HOLDS TALKS WITH FORMER PREMIER TANAKA

OW230427 Tokyo THE JAPAN TIMES in English 22 Oct 80 p 1

[Text] Yoshio Sakurauchi, secretary-general of the ruling Liberal-Democratic Party, held a lengthy meeting with former Prime Minister Kakuei Tanaka Monday night, apparently on a broad range of subjects from the present political situation to the future of the ruling party, informed sources disclosed Tuesday.

It has been rare for Tanaka to hold a lengthy meeting with an LDP secretary-general since he left the party in 1976 after his arrest in the Lockheed payoff scandal.

The meeting with Sakurauchi, coupled with reported recent meetings with key cabinet members and LDP presidential aspirants, such as chief cabinet secretary Kiichi Miyazawa and Toshio Komoti, director general of the Economic Planning Agency, indicated that Tanaka still wields a strong influence over the LDP and the government led by Prime Minister Senko Suzuki, who is said to be close to Tanaka.

The sources said the meeting was held at a Tokyo hotel through the good offices of former transport minister Ken Harada, who recently joined the "Thursday Club," newly inaugurated by an LDP faction controlled by Tanaka.

Sakurauchi was believed to have briefed Tanaka on the present LDP situation and asked for Tanaka's support.

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LDP'S FACTIONS THREATEN SUZUKI'S STABILITY

Tokyo MAINICHI DAILY NEWS in English 22 Oct 80 p 2

/"Nagatacho Doings" column by Takehiko Takahashi: "LDP's Factions Going Into Action"/

/Text/

Susumu Nikaido, chairman of the LDP Executive Council, spoke as follows at the beginning of September:

"No movement is being seen among LDP factions right now but there is a possibility of the factions becoming active again in connection with Prime Minister Zenko Suzuki's replies to interpellations when the ordinary Diet session is held next year."

Movements by LDP factions have started earlier than predicted by Chairman Nikaido of the executive council.

The Fukuda faction held a party at a Tokyo hotel to commemorate the publication of a book entitled "Defense of the Fatherland in an Age of Convulsions." The party tickets had a price tag of 30,000 yen each. About 5,000 persons attended. It is said that three times that number of tickets were sold.

Seated on a platform at the party were former Prime Minister Fukuda, Chairman Shintaro Abe of the LDP Policy Affairs Research Council and other leaders of the Fukuda faction. Director General Ichiro Nakagawa of the Science and Technology Agency not only

proposed a toast but lined up with Diet members attached to the Fukuda faction and clearly stated, "I belong to the Fukuda faction."

This publication commemoration party was called "the Fukuda faction's fund raising party." There may have been such a phase but politically it was an indication that the Fukuda faction is going strong.

The biggest faction within the Liberal-Democratic Party is the Tanaka faction. It is even said that anyone desiring to become president of the LDP will require the cooperation of the Tanaka faction. There are rumors that Director General Toshio Kono of the Economic Planning Agency played golf with Tanaka or that a Tanaka-Nakasone meeting was held. These may be more than rumors. They seem to be actual facts.

In the light of the strength of the Nakasone and Komoto factions, neither of their leaders will be able to assume the reins of administration without the cooperation of the Tanaka faction.

Within the LDP, the Tanaka faction is strong. In July this faction dissolved its political

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association called Seiji Doyukai. The president of this association had been LDP Vice President Eiichi Nishimura.

Now an association called "Thursday Club" has been newly formed. Its president is to be Chairman Nikaido of the LDP Executive Council. Up to now, while belonging to the same Tanaka faction, Nishimura and Nikaido were not on very good terms. Nevertheless, since Nishimura has a much longer career, Nikaido had been paying him due respect.

In the last election, however, Nishimura failed to win. Takashi Tahara, running in the same constituency as Nishimura and supported by Nikaido, won. Nishimura is now of an advanced age and it may be impossible for him to return to the front line of politics.

There was a feeling that transferring the presidency of the Seiji Doyukai from Nishimura to Nikaido would be "a big blow to Nishimura." That is probably why the Doyukai was dissolved. This liquidated Nishimura's presidency of the association at the same time. Then about three months later, the Thursday Club was organized.

The Doyukai and Thursday Club both consist of members of the Tanaka faction. But since the old signboard was taken down and a new signboard put up, and also because Nishimura is no longer in the front line, it will be difficult for him to oppose the move. At the time of its

formation, the objective of the Thursday Club was said to be "to exchange information on the operation of the Diet." As such, it has no relationship with Nishimura who is no longer a Diet member.

Since the two big factions within the LDP, the Tanaka and Fukuda factions, have thus begun to act, the Nakasone and Komoto factions cannot remain idle. Prime Minister Suzuki heads the Suzuki faction but does not possess great strength as a faction. The greater the importance that Prime Minister Suzuki attaches to Chief Cabinet Secretary Kijichi Miyazawa, the deeper is the dissatisfaction within the faction.

It is said that one of the weaknesses of the Suzuki administration is that it lacks positive supporting influences within the LDP. The two biggest Tanaka and Fukuda factions are giving support "because it cannot be helped." There is no indication of a feeling of solidarity to protect Prime Minister Suzuki such as was seen at the time of the Ikeda and Ohira cabinets.

Although it may be only natural, both the Nakasone and Komoto factions are cool toward the prime minister.

For the factions to begin action at such a time could well be a scary phenomenon for Prime Minister Suzuki.

*(The writer is an adviser to the Mainichi Newspapers and former chief editorial writer).*

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SUZUKI MUST MAKE CHANGES BEFORE POPULARITY WANES

Tokyo THE DAILY YOMIURI in English 19 Oct 80 p 2

[Editorial: "Waning of Suzuki's Star"]

[Text]

Prime Minister Suzuki is virtually certain to be elected to a new two-year term as president of the Liberal-Democratic Party at the LDP's extraordinary convention scheduled next month. However, public opinion is increasingly cool toward his policy aimed at leading Japan into the next century.

A Yomiuri Shimbun public opinion poll shows that this month's popularity rating of the Suzuki Cabinet is down 5.7 percent from last month. Although the cabinet maintains public confidence of more than 40 percent, a drop of more than 5 percent cannot be ignored.

At its start, the Suzuki Administration enjoyed a popularity rating of nearly 50 percent because of its stability, its support by the entire LDP membership, and Suzuki's personality. But the drop in rating indicates that the public is becoming disenchanted with the Suzuki Administration.

Possibly, the public may have formed a poor impression of the Suzuki Administration because of its inept handling of the constitutional revision controversy and other national issues which were raised by opposition parties in the plenary session and budget committee meetings of both houses of the Diet.

**Leadership, Not Consensus**

Judging from Suzuki's wishy-washy stand on constitutional revision, the public is uneasy about his leadership.

Suzuki preaches a policy of "national consensus." But what the people want to hear from the premier now is not his political style but his political beliefs.

We do not yet expect too much of Suzuki, who has been in office for only four months. But we do expect that he will show strong leadership and determination.

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The prime minister-LDP president is a man who can wield tremendous power. Suzuki has publicly pledged to revamp the party. Yet, the once-dissolved political factions are reforming one after another, giving the lie to the premier's promise.

Suzuki's most important public pledge was that he would establish a new code of political ethics. But he has not even been able to set up an ethics committee in the Diet.

### **The Key Reform**

As for revision of the national constituency in the Upper House election, Suzuki has done such a turn-about that it looks like the issue should be treated by the Diet rather than by himself.

Suzuki's ability as a prime minister will be really reflected in the compilation of the national budget.

He has publicly pledged to reform the national finances. But the LDP, in its present mood of euphoria after its landslide victories in the last elections, is not about to trim questionable government subsidies.

The premier must go ahead and meet his promise to cut the government bond issue by ¥2,000 billion and complete the draft budget within this year.

If he fails to do so, he can be sure of a drastic drop in public support for his cabinet.

If Suzuki is prepared to put his job on the line, he may be able to fulfil his pledges to a considerable extent.

Popularity ratings are only a sign. Suzuki should heed the signs and take the courage to act on his own convictions.

(October 19)

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SUZUKI'S METHOD OF OPERATION QUESTIONED

Tokyo MAINICHI DAILY NEWS in English 10 Oct 80 p 2

[Editorial: "Suzuki's Popularity"]

[Text]

A recent public opinion survey conducted by the Mainichi Newspapers disclosed that the government of Prime Minister Zenko Suzuki had the support of 38 percent of those polled. The survey was taken toward the end of September, roughly two months after the advent of Suzuki's government. We consider the 38 percent to be a reasonable figure for the new government.

Voters gave their ingenuous appraisal to the government which came into existence in a harmonious manner. People remember that the preceding governments were born through fierce intraparty struggles. Whether or not the voters will continue to give such appraisal will depend upon the government's performance.

Suzuki enjoys high marks for his "amiable character" but has failed to gain high ratings for "leadership," "price policies," and "attitude toward clean politics." In other words, the voters did not give support to Suzuki's leadership, political attitude or policies in spite of his "amiable character." Hereby exists the most important problem for Suzuki's government.

We know that politics and administration cannot be controlled by the character of a person. A prime minister must have vigor, ideals and leadership. To establish political ethics, these points become all the more important.

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The current Diet session is Suzuki's first as prime minister. We have noticed that in replying to questions by ruling and opposition party representatives, Suzuki just reads replies prepared by bureaucrats. We find that he evades difficult problems in an easy-going manner and contrives make-shift compromises.

How long can he enjoy his relatively high popularity?

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SUZUKI NEEDS TO FACE PROBLEM OF CONSTITUTION

Tokyo MAINICHI DAILY NEWS in English 15 Oct 80 p 2

[Nagatacho Doings column by Takehiko Takahashi: "Verbal Battles on Constitution"]

[Text]

As had been expected, Justice Minister Selsuke Okuno's statements on the Constitution have become the center of a verbal war in the extraordinary Diet session. The government prepared a memo of hypothetical questions and answers concerning the Constitution and distributed it among cabinet ministers. This was to prevent discrepancies in replying to interpellations which would provide ammunition for the opposition's attacks.

When seen from his political experience, Prime Minister Zenko Suzuki cannot be considered as being thoroughly familiar with constitutional problems. But this has actually been a "plus" in replying to Diet interpellations. This is because he has accepted the Cabinet Legislation Bureau's opinions in toto and has answered accordingly.

Justice Minister Okuno is different. He was a government official at the time the present Constitution was enacted and he has great interest in the process by which the Constitution was adopted. Moreover, as an elite bureaucrat, he is quite familiar with law. He thus has his personal opinions concerning the

existing Constitution. These opinions gush out at times and have caused political problems.

For instance, at the time when the Constitution was enacted, Japan was under occupation by the Allied Powers. For that reason, according to Okuno, the nation "had no sovereignty" at the time. This is a kind of expression generally used among legal experts, but from the political viewpoint, it has an important meaning. It can be political dynamite.

'Not Contradictory'

In order to defend Justice Minister Okuno, Prime Minister Suzuki has declared that "protecting the Constitution and discussing the Constitution are not contradictory." This is also legally true but politically the question that arises is: if the Constitution is being protected and no revision is intended, why is it necessary to hold discussions that include the revision problem?

Prime Minister Suzuki earlier found it necessary to accept the resignation of his good friend, Minister of Health and Welfare Kunikichi Saito. This was because Saito assumed

responsibility for accepting a large sum of money from a notorious hospital—and this was heading in the direction of a criminal case. If the prime minister were to effect a compromise with the opposition and cause Justice Minister Okuno to resign, it would mean a change of two members of the cabinet within a short period of time since its formation. The political blow to be suffered thereby would be great. The prime minister thus finds it necessary to try to substantiate Okuno's theory.

In addition, if Justice Minister Okuno is pressed into resigning by taking responsibility for his statements on the Constitution, dissatisfaction will rise within the Liberal-Democratic Party.

The LDP has a Constitution Study Council. Mitsuo Setoyama, former justice minister, recently became its chairman. As in the case of the previous chairman, Osamu Inaba, Setoyama is one of the LDP Diet members best versed in legal matters. (Inaba has a doctor of law degree and is a former university professor; Setoyama is a former judge). Setoyama has pointed out that the existing Constitution is fraught with many problems.

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Furthermore, there is a Constitution Revision League within the LDP. It is headed by former Prime Minister Nobusuke Kishi and includes 293 present and former Diet members. In case Prime Minister Suzuki is unable to defend Justice Minister Okuno, a move is bound to rise within the LDP to question Suzuki's responsibility as party president.

#### Dissatisfaction

Signs of such a move have already started to appear in the LDP's Executive Council. At a meeting of the council on Oct. 7, one Diet member expressed dissatisfaction with Prime Minister Suzuki's reply to an interpellation on the Constitution and said:

"It is strange for the prime minister to say that he does not intend to revise the Constitution. That should be changed to read that he is thinking about a revision but the party lacks the numerical strength to achieve it. Anyone who says that he is not thinking of a constitutional revision is not a bona fide member of the LDP. If the party says that it is not thinking of a revision, I will withdraw from it."

Because of such a statement, the LDP Executive Council, which has not taken up the problem of the Constitution in the past, has found it necessary to discuss it.

In this way, Justice Minister Okuno's statements on the Constitution have become troublesome for Prime Minister Suzuki. In other words, Suzuki is "between the devil and the deep sea." If he moves forward, he will be attacked by the opposition. If he steps backward, he will be repelled by the LDP.

The Suzuki Cabinet, which was expected to enjoy stability based on the LDP's overwhelming majority, is suffering from the appearance of an unexpected problem.

*(The writer is an adviser to the Mainichi Newspapers and former chief editorial writer).*

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TIME 'NOT RIPE' FOR CHANGE OF CONSTITUTION

Tokyo MAINICHI DAILY NEWS in English 22 Oct 80 p 2

[Editorial: "Constitution Vs LDP"]

[Text]

Although ostensibly upholding a political platform which seeks a constitutional revision, the overwhelming majority of the Liberal-Democratic Party parliamentarians have turned out to be reluctant to take that action.

A Mainichi Newspapers survey conducted on all LDP Dietmen as to the advisability of a constitutional revision indicated that LDP Dietmen's statements in favor of a revision, heard one after another of late, have been promoted by a small segment of the LDP lawmakers. A great majority of them preferred to be prudent about revising the Constitution in consideration of the general public's opinion.

The government party's impressive victories in the last elections of both chambers of the Diet have given rise to a cabinet led by Zenko Suzuki and the reemergence of opinion favoring a constitutional revision—an opinion which was not voiced in the face of the almost evenly matched numerical strength between the LDP and the opposition in the Diet in recent years.

Remarks concerning a constitutional revision by Yoshio Sakurauchi, LDP secretary general, Justice Minister Seisuke Okuno, and Ichiro Nakagawa, director general of the Science and Technology Agency, have caused major ripples in the nation's politics. They subsequently have led to the exposure of disunity of opinion within the Suzuki cabinet, forcing the cabinet to prepare a hypothetical questions-answers document, and to hold discussions at the Budget Committee on the topic.

It cannot be denied that Suzuki's remarks that he considers his cabinet members and others within the LDP have the right to discuss a constitutional

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revision have much encouraged the advocates of that step, although he has repeatedly said he has no intention of altering the supreme law while he is in the top post.

Also, many local assemblies have adopted resolutions calling for steps to revise the Constitution, the suspended Cabinet's Commission on the Constitution has resumed its activities, and Dietmen's participation in a group supporting Justice Minister Okuno's advocacy of a constitutional revision has become obvious.

The LDP Executive Council was said to have distributed a set of model answers to guide LDP Dietmen in responding to the Mainichi survey. Even taking this into consideration, the survey has shown that the overwhelming majority of them are reluctant to push for a constitutional revision. This was reflected in the fact that 76 percent of the pollees pointed out that the LDP lacks a two-thirds majority in both Houses—a majority needed to revise the Constitution—and that discussions on the topic in earnest cannot be pushed under the present situation.

In fact, the majority of the people do not see the need of revising the Constitution at present, and the time is not yet ripe to do so. In this respect, a move by a small segment of the LDP Dietmen to promote a revision may be construed to mean that they plan to open the way for a constitutional revision, gradually and steadily.

The fact that the LDP has a platform plank calling for changes in the Constitution and that 88 percent of the LDP Dietmen appear to support that plank makes it natural for the LDP to promote discussions on that subject within the party. But at the same time, it must be recognized that many people feel that the gaps between the current Constitution, including its Article 9, and social realities should be discussed carefully and at length.

Any attempt to speed up such discussions without the people's understanding would only increase social tension, and could evoke a backlash.

Moreover, the LDP victories in the last "double" elections were not the result of its favoring a constitutional revision and winning the people's strong support for that move. Nor did the people give the party carte blanche to manage the country, including changing the Constitution.

We believe the Suzuki cabinet's policy of observing the current Constitution, which upholds the ideals of promoting peace, and acknowledges that sovereignty rests with the people, is in line with the national consensus.

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NEED FOR SOCIALIST PARTY TO REFORM EXAMINED

Tokyo MAINICHI DAILY NEWS in English 14 Oct 80 p 2

[Zooming-in column by Hideo Matsuoka: "Back to Structural Reform"]

[Text]

In recent ~~polls~~, ~~postelection~~ support for the Liberal-Democratic Party shows a high-plateau of stability. A Mainichi poll taken at the end of September had the LDP support at 43 percent, which is a considerable recovery from the discouraging 38 percent under the Ohira government, installed last year after the election in which Ohira antagonized voters by suggesting a postelection tax increase. The party may expect a steady 42 to 43 percent support to continue unless its government tries to run roughshod over the opposition and the nation with its sheer numerical strength in the legislature.

By contrast, the Socialist Party is conspicuous for its loss of support. Up until spring this year, the party used to draw the support of around 16 percent in polls. The support sank to 12 percent in the latest Mainichi Poll. The party has not been tagged with malfeasance among its members. Why, then, this slippage? Even the party leadership may not know why. It may be said that the party suffered a setback in the last election in the aftermath of the mid-campaign death of Ohira which swung the voters' sympathy toward the LDP. If that is the real reason, the party

can bank on the notorious forgetfulness of the Japanese people and expect that the voters' sympathy will revert at some time to the Socialists. Or, it may hope that the policy disarray of the Suzuki Cabinet, which is due to Suzuki's weak leadership and the strong independent-mindedness of cabinet ministers, will lead to voter disillusionment. But the low popularity of the Socialists, as it exists today, is not a phenomenon resulting from a temporary development. The cause of the persistent decline is more deeply rooted.

In short, the Socialist Party has lost appeal with the voters. As often noted, the Japanese have become a nation of contented wage earners who have had their share of the nation's economic growth and consider themselves to be in the middle class. Talking about Japan being on the eve of a socialist revolution, about the need for the "impoverished masses" to rise up and wrest away power, or about the subsequent "proletarian dictatorship" simply turns voters off.

If all this talk were by the Japan Communist Party, it would still be a rallying cause for many of its supporters who

back the party knowing what its ideology is and what it is after. Even the Communist Party has changed with the times. It has ceased to mention "proletarian dictatorship," and had enough common sense to openly criticize the Soviet invasion of Afghanistan.

Devoted Socialists

Within the Socialist Party, however, there are still elements who are so much devoted to socialism that they talk and act redder than communists. A socialist party is supposed to be less positive than a communist party in the enthusiasm for realizing socialism. But these Socialist elements believe their party is the real driving force in the promotion of Marxism-Leninism in Japan.

Mitsugu Nishida, who was executed after the army coup d'etat of Feb. 2, 1936 for ideologically and behaviorally motivating the army's young Turks into an uprising, used to tell the rebellious officers, "They would have risen even without King Wen." It was King Wen of the Zhou Dynasty who toppled the kingdom of Yin which enforced a repressive rule. King Wen was assisted by many capable men. Nishida

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meant to say that these capable men would have risen to overthrow the tyrannical Yin government anyway even if they had no King Wen to lead them.

Nishida's exhortation may be analogically rephrased for contemporary adaptation as "They can rise without Marx and Lenin." As long as the Socialist Party keeps extolling textbook Marxism-Leninism, it would remain as something alien to the Japanese. Such is not the way to relate to the Japanese public. The party needs to devise some behavioral principles that are acceptable to Japanese society.

#### The Road

The Socialist Party, however, is in the bind of an instrument titled "The Road to Socialism in Japan" (commonly referred to as "The Road"), which serves as something of a party platform. "The Road" is couched in Marxist-Leninist jargon. Some excerpts: "Conditions are getting ripe for a Socialist revolution, and Japan is on the eve of socialism;" "After the transfer of power into our hands, we will maintain control by the working class and establish hegemony by the Socialist Party;" "We will build a community through association of free and equal individuals." These are borrowed right out of anarchist textbooks.

"The Road" makes interesting reading built on Utopian fallacies. It is of dubious practical value. The party decided that it needed a new platform. Work began on a new platform at the party's Socialism Theory Center on Oct. 4. Prior to the start of the drafting work, the drafters had a group of scholars draw up a report called "Domestic and International Situations as They Relate to the Socialist Party Movement." The report was to be reference material in the platform drafting work.

The report is more a complete denial of "The Road" than a sweeping revision of it. Coming out against the advisability of a poverty-triggered socialist revolution and proletarian dictatorship, the report recommends what may, in a nutshell, be termed a "structural reform." It favors the idea of the party positively participating and intervening in the nation's industrial structure, living structure, employment structure and other structures in an effort to reform them. In its fundamentals, the report's advocacies are identical with the "theory of structural reform" advocated by the late Saburo Eda seven or eight years ago.

The "structural reform theory" is an import from Italy. Be it straight Marxism-Leninism or structural reform, it is rather discouraging that Japanese socialism has to look for imported principles to stand on. But it is understandable that Eda, seeing the hopeless impasse in ideological and behavioral matters of the party, felt impelled to advocate a structural reform to give the party a new lease on life.

The party leadership of that time, however, came trampling down on Eda's recommendations with a vengeance. The leadership then consisted of those who had irrevocably believed that anything besides Marxism-Leninism, was not socialism. They denounced the structural reform theory as right-leaning heresy, refusing even to debate it. They went so far as to expel Eda as a renegade.

Now a group of scholars commissioned by the party is selling structural reform (although their report does not use the word structural reform). In the review of "The Road" at the Theory Center, the scholars' recommendations will be a weighty guideline. Socialist

chairman Ichio Asukata must have anticipated this when he asked these scholars to prepare reference material for "The Road" reviewers.

#### 10 Years Wasted

If so, what a detour the party has made! There is no denying that the party has wasted the last 10 years in finding its path. A Japanese saying has it that a dullard works on hindsight. Persons of no particular cerebral brilliance change direction only after hitting some obstructing object. The Socialist Party is an assembly of such persons. Its members therefore change its direction only when they realize that they are at a dead end.

They are now talking about a structural reform, participation, intervention in various social structures. But it is not always clear in the specifics how they will go about these tasks. More correctly, I doubt that the party has the organized potential to tackle every one of these problems. Such work will not have results unless the Socialists serve with self-sacrificing spirit and without anticipating monetary gains. The party will not gain in support unless the participation and intervention services come free to the people who need them. But who in today's Socialist Party are willing to work for free?

A popular saying goes: "An earthquake is about the only thing today that works for free." The Socialists need to learn from the earthquake if they are to win wider support. Members of the prewar proletarian parties used to work free. How do today's Socialists comport themselves? Whenever there is need for hard legwork at the grass roots, the party politicians usually mobilize labor union manpower. I do not intend to criticize this trend because the

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party is one with Sohyo (General Council of Trade Unions of Japan). But even in this case, the party must be in control of the movement and not the unions.

The Socialists must first prove with deeds that they will work for free in their efforts to reform social structures through participation and intervention in them. Unless they so prove themselves, whatever they talk about will not be of any interest to the world around them.

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POLITICAL AND SOCIOLOGICAL

KOMEITO'S OPPOSITION TO CHANGE NOTED

Tokyo MAINICHI DAILY NEWS in English 10 Oct 80 p 4

[Nagatacho Doings Column by Takehiko Takahashi: "Komeito's Diet Strategy Centered on 'No!'" ]

[Text]

The Komeito suffered a big blow in the last dual elections for the House of Representatives and the House of Councillors. In addition, internal trouble has occurred within the Soka Gakkai, the Komeito's supporting organization. The Komeito is worrying about the party's rehabilitation.

On Oct. 12 the Komeito is scheduled to hold a party convention where the policy of activities and basic measures will be decided. Preparations are now being made for that convention.

Secretary General Junya Yano of the Komeito has analyzed the reason for the Liberal-Democratic Party's victory and the Komeito's defeat in the last election as follows:

"Due to Prime Minister Masayoshi Ohira's sudden death, the people's attitude toward politics became severe. Because of that, the voting rate was high. This was advantageous for the LDP.

"Also because of Prime Minister Ohira's death, anxiety arose as to the future of politics. The people faced a choice between administration by a

single party or a coalition government. Eventually the people selected a single-handed administration. This was because a confrontation surfaced between the opposition parties, particularly between the Japan Socialist Party and the Democratic Socialist Party, over the concept of a coalition government."

Thus the Komeito is studying the party's rehabilitation, in other words, what should be done to increase the number of its Diet seats in the next election. First of all, it is attempting to overcome the condition that a high voting rate is disadvantageous for the Komeito.

For that purpose, efforts will be made so that Komeito candidates will be able to secure not only the organized votes of the Komeito and Soka Gakkai but also votes from outside these organizations. If a warplane were to be taken as a simile, what is desired is an all-weather aircraft. Positive efforts will be required, directed outside the Komeito and Soka Gakkai.

Secondly, the subject of a coalition government will be avoided for the time being.

Even if the three JSP, Komeito and DSP influences were to touch upon the "concept of administration," it can only be nonsense at the present time. Rather than that, there is a need to concentrate on expanding the Komeito's own influence.

This political view of the Komeito will naturally exert influence on the Diet operation from now on. What kind of Diet measures is the Komeito trying to carry out?

Entire Responsibility

In the first place, the strategy taken will be to make the Liberal-Democratic Party assume the entire responsibility for politics.

For instance, every form of tax increase will be opposed. By thoroughly opposing a tax increase, it will force the government to tackle the problems of rehabilitation of state finance and administrative reform in real earnest. As a "responsible opposition," the Komeito will not take the path of leaving the rehabilitation of state finance and administrative reform unsolved halfway.

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In handling the draft for a revision, a wide-ranging revision will not be presented. Even if a revision is a minor one, the LDP is unlikely to accept it in that form. It will probably have its own way by riding down the opposition. In such a case the Komeito will propagandize that "the Liberal-Democratic Party refused to accept even a minor revision and passed judgement arbitrarily." It will appeal to the people in this way in regard to the "high-handedness" of the LDP.

This is likely to be effective in strengthening the people's criticism of the LDP. At the same time it will be a "plus" for the Komeito. This is the kind of Diet tactics that the Komeito will be required to follow for the time being.

The Komeito is calling to the Japan Socialist Party: "don't oppose administrative reform." If "opposition by the JSP" becomes the reason for not carrying out administrative reform, it will affect the problem of rehabilitating the state finance and give the government a pretext for increasing taxes, so the Komeito believes.

Although it is not known whether the JSP will accept the Komeito's urging and comply with administrative reform, as far as the Komeito is concerned, against the background of "opposition to all forms of tax increase" as the basic principle, it is trying to torment the government and the LDP.

Meanwhile, the Democratic Socialist Party, placing emphasis on a "responsible opposition," has been taking the attitude that the presentation of a "substitute proposal" is the responsibility of the opposition.

But if the Komeito, without thinking about assuming the reins of administration, adopts the attitude of saying "no" to everything that the government and LDP does or plans to do, what will become of the Komeito's relationship with the DSP in the Diet? This is a problem that will arise.

Although the Liberal-Democratic Party has succeeded in obtaining a comfortable majority, as long as the Komeito maintains such an attitude, the LDP may find the Diet operation to be more difficult than before.

*(The writer is an adviser to the Mainichi Newspapers and former chief editorial writer).*

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POLITICAL AND SOCIOLOGICAL

CONSIDERABLE CHANGE IN KOMEITO'S NEW STRATEGY NOTED

OW230437 Tokyo THE JAPAN TIMES in English 22 Oct 80 p 12

[Editorial: "Komeito's New Strategy"]

[Text] Despite its heavy setback suffered in the June elections, Komeito, still the second largest opposition group, has reaffirmed the goal of seeking participation in a coalition government through "realistic" modifications of its policy.

Considerable change is found in the latest action and policy programs announced last week by the party. Previously, Komeito supported the idea of a reformist-centrist alliance to the exclusion of the Liberal-Democratic Party (LDP). It wanted to see the Japan-U.S. security treaty cancelled and the Japanese Self-Defense Forces (SDF) reorganized.

In its newly announced plan for establishing an alliance government during the 1980's, however, the party accepts continuation of the security treaty for the foreseeable future and maintenance of the SDFs as they are. More significant, perhaps, is the omission of the anti-LDP slogan. The intent is apparently to open the way for it to join a broader-based alliance including the LDP.

In following now a course of policy distinctly tilted to the right, Komeito seeks to develop itself into something better than a party of opposition for opposition's sake. And the party made clear it was seriously interested in capturing a share of government power.

Komeito's earlier concept of an alliance government envisaged the Japan Socialist Party (JSP), the Democratic Socialist Party (DSP) and itself together forming the nucleus of a coalition, with room left for some other elements to join.

Now, Komeito is no longer opposed to an LDP-centrist alliance but hopes to draw the JSP into it. The new approach, obviously, has a better chance of materialization than was the previous one.

What is totally uncertain, however, is how the JSP will react to the change of strategy on the part of Komeito. Given the predictable resistance by the JSP's left-wingers to any overt move by the party leadership to the right, Komeito's new government strategy could immobilize the JSP as a whole.

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If the JSP stands aloof from the coalition drive, the centrist groups cannot expect to have any effective leverage vis-a-vis the LDP. Aside from the outcome of future elections, the only chance the opposition parties--the centrist parties and the JSP alike--have to end the LDP's monopoly on government, is for all of them to join their forces against the LDP.

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JSP'S FUTURE AS PARTY DISCUSSED

Tokyo MAINICHI DAILY NEWS in English 11 Oct 80 p 2

[Editorial: "A Way To Save JSP"]

[Text]

What is socialism, Japanese, style?

Lacking a clear-cut answer, this question has always presented itself as a vexation to the Japan Socialist Party in its history of the past quarter century.

The fast-dwindling appeal of socialism both at home and abroad, however, now calls for this question to be dealt with from a new approach.

In this context, the JSP's new move to review in earnest its document "the road to socialism in Japan," which virtually constitutes the party's action platform, is welcome.

We will pay close attention to the outcome of intraparty discussions concerning the reviewing work, as we feel that it will have a direct influence on the course of Japan's politics in the 1980s, and it may give the Japanese people a broader choice of political lines to select among.

We are of the opinion that the ruling Liberal-Democratic Party's sole and perennial dominance of the nation's politics is undesirable. Even many LDP leaders have admitted that such an abnormal situation is detrimental to just politics and its normal functioning.

This, then, gives rise to a question of why we have to be satisfied with the current political situation.

The answer to this question may lie in the fact that the JSP, though the No. 1 opposition party, has remained an opposition party, lacking the capability to take over power. The Japanese people have not even once entrusted the JSP to form a government of its own.

According to a draft of the JSP action policy for the 1980s, prepared by scholars working for the party

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and submitted to the JSP's Socialism Theory Center as material for discussion during the review of "the road to socialism," there should be a drastic revision of the current JSP theory in order to achieve a socialist government.

The draft, with the basic premise that the JSP can become a government party instead of merely an opposition party, proposes the rejection of the JSP's classical revolutionary line calling for Bolshevik agitation based on the so-called crisis of capitalism, leading to a revolution. This revolutionary line has provided the theoretical foundation for "the road to socialism."

The new draft, instead, advocates the adoption of a new and more realistic line acceptable both at home and abroad. As for the policy to be pursued in this country, the draft, while calling for a social restructuring in order to meet the people's demand for higher living standards, also says that an ideal socialist society can be attained by encouraging the general public to participate in the management of enterprises and administrative structures, forsaking a revolutionary approach. It also places major emphasis on efforts to overcome fundamental political, economic and social shortcomings of the present society through the above movement and to form a transitional coalition government with the support of broad strata of the people, before establishing a government of its own.

The current "road to socialism" policy calls for the creating of a socialist government from a transitional coalition government as swiftly as possible. The new draft, rather, foresees the need of spending a relatively long period of time before a socialist government can be achieved, and also points out that coalition rule might preclude the development of a socialist government, although it urges that efforts be made in that direction.

For the JSP, which seems unable to take over power alone, at least in the foreseeable future, how to form a coalition force with another opposition party or parties is an urgent problem, and in this respect, how it regards a transitional coalition government prior to achieving a socialist administration may be of great importance in determining the JSP's future.

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The JSP's left-wingers, who are said to oppose the reviewing work, however, agree with its right-wingers as to the need to work out a new socialist theory suitable for an advanced country.

At this juncture, we hope the JSP will conduct thoroughgoing discussions to formulate a new theory which is acceptable and which can be supported by the general public.

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CONTINUED STRIFE WITHIN JSP NOTED

Tokyo THE DAILY YOMIURI in English 18 Oct 80 p 3

["Political Beat" column by Raisuke Honda: "Fued Within JSP"]

[Text]

Signs are growing that the Socialist Party (JSP), which has barely managed to maintain peace within the party for the past few years, may plunge into another round of factional strife.

The smoldering feud within the No 1 opposition party is growing conspicuous as a party convention is scheduled for early December to elect a new party secretary-general.

Along with preparations for the annual convention, debates are now going on among JSP rank-and-file members over the highly controversial issue of revising the party document entitled "The Way Toward Socialism in Japan," which is said to be one of the chief planks of JSP platform.

Besides, a revised version of the document is scheduled to be submitted for final approval to a JSP convention in December, 1981, in which election of a new JSP leadership, including the chairman, will be at stake.

The current JSP leadership of Ichio Asukata was inaugurated in December, 1977, after two years of intense struggle between two intraparty groups, the radically oriented Socialist Association (Kyokai) and anti-Kyokai members.

Following the JSP's major setback in the 1977 House of Councilors election, the late Tomomi Narita, then party chairman, and his aides resigned en masse to install Asukata, then Yokohama mayor, to the top JSP post.

In the course of the protracted struggle previous to the birth of the Asukata leadership, the strength of the Marxist-Leninist Kyokai group, which used to be a predominant force within the JSP, had been cut down to become subordinate to that of its rival members.

Under the circumstances, an intraparty feud is being rekindled, primarily due to growing antipathy among anti-Kyokai members against Asukata.

The anti-Kyokai men charge that Chairman Asukata in the past three years in office has made a point of keeping a factional balance of power in party affairs and failed to display any leadership of his own all the while.

As part of their "harassment tactics" against Asukata, such senior JSP members belonging to the anti-Kyokai group as Shoichi Shimodaira, Koichi Yamamoto and Tomoyuki Takada are reportedly moving to form a new group by rallying JSP right-wingers.

With incumbent JSP Secretary-General Shinnen Tagaya, who failed to be elected in the last House of Representatives election, certain to step down in the forthcoming party convention, the anti-Kyokai group is out to have right-wing leader Shimodaira, now JSP deputy chairman, succeed Tagaya as the party's No 2 leader.

Apparently in defiance of the moves by the pro-Shimodaira group, another group of anti-Kyokai members, consisting of 47 younger-generation JSP Dietmen who have been elected to the Diet four times or less, has set in motion their own organization.

The newly organized 47-man group, named the "Research Committee for the Rebirth of the JSP," was created late in September for the avowed purpose of "facilitating party's unity and solidarity."

As observers see it, however, the new group is mainly aimed at serving as "bodyguards" to Asukata to help prolong Asukata leadership.

The group appears determined to support one of the JSP's theoretical leaders,

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Yuzuru Shimazaki, in the coming secretary-general election as Shimodaira's rival candidate.

This means that the anti-Kyokai members are being divided among themselves, to the joy of the Kyokai group keen to regain its lost strength.

The current revision of the JSP's key document, "The Way Toward Socialism in Japan," is said designed to "modernize" such anachronistic wordings in it as "proletarian dictatorship."

The Kyokai group is all-out to take advantage of the on-going party debates on the planned revision to check what it views as tilt to the right of the JSP and also to wrest away the leadership in party affairs from the anti-Kyokai members.

The JSP is therefore most likely to enter a new phase of intraparty struggle for at least a full year to come.

There is no knowing, however, whether the looming feud among rival JSP groups will provide the party with a new, constructive energy for its long-awaited organizational reform, or end up in spurring further the declining trend of the party's strength.

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REVIVAL OF FACTIONS INSIDE LDP EXAMINED

OW240801 Tokyo THE JAPAN TIMES in English 23 Oct 80 p 12

[Article by Minoru Shimizu in "Political Today and Tomorrow" column: "LDP Factions Revive Activities"]

[Text] Only some 4 months ago newspapers were carrying almost daily reports about the disbandment, or imminent disbandment, of the major factions of the Liberal-Democratic Party (LDP). Moreover, the newspapers even went so far as to prefix the names of existing factions with the word "former."

These factions, which were supposed to have been dissolved, have recently started to resume their activities along the same lines as in the past. In the newspapers, the prefix "former" has been removed and the old faction names are appearing again just as if nothing had happened. Among the five major factions, the only changes have been those necessitated by changes of faction leadership, the Ohira faction becoming the Suzuki faction and the Miki faction becoming the Komoto faction.

Never Expected

The resumption of activities by these factions is not really surprising because it was never expected under the circumstances that the LDP factions would actually go ahead and dissolve themselves.

Many times in the past the LDP had announced its intention to disband its factions with the aim, for instance, of modernizing its structure, but each time things have quietly reverted to their original state. This writer commented on the situation in a column titled "LDP 'Factions' Still Going Strong" on 7 August.

The factions' loud declarations of disbandment last summer were no more than a political ploy on the part of the LDP. In the first place, the LDP deemed it expedient to present itself, at least outwardly, as a unified party in the general elections held last June. Secondly, in the competition for the party presidency following the sudden death of Prime Minister Masayoshi Ohira, aspirants considered they would stand a better chance of winning majority support if the faction names were removed.

Now that there is no longer any need for such political considerations, it is only natural that there should emerge a trend toward the resumption of activities.

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Sakurauchi Declares Need

At a meeting of party leaders last week, LDP secretary-general Yoshio Sakurauchi declared that there was now a need for factional activity. He said:

"The reason why factions have been criticized in the past was their involvement with money and positions--for instance, the paying of large sums as bribes to win support in party presidential elections and the use of factional influence to put Diet members of certain factions into cabinet positions and party posts. At present there does not exist the sort of environment in which such abuses could arise. In the absence of faction activities, on the other hand, there is the disadvantage that information on the Diet situation and management of party affairs fails to reach the younger Diet members. From now on I would like to base my management of the party upon a recognition of abuse-free factions."

This statement by Sakurauchi gave the green light for the various factions to resume their activities and at the same time launched a policy of managing party affairs by making the most of the benefits that the faction system has to offer.

The LDP is a huge party having more than 400 members in the lower and upper houses. It therefore becomes very difficult to keep all its Diet members informed about party activities and the Diet situation. Even by attending meetings of the LDP's lower house members and other party-sponsored gatherings, members are able to pick up only fragmentary information about what is going on. At faction meetings, on the other hand, it is possible for them to obtain detailed information from the cabinet ministers and party leaders belonging to the faction. Among new Diet members there is a particularly strong demand for opportunities of this nature. This is one benefit that the factions have to offer.

The first faction to resume activities was that led by Toshio Komoto, now director general of the Economic Planning Agency, who was one of the favorites in the last party presidential race. Amid the general move to ward disbandment last summer, the Komoto faction had also been the first group to take the plunge. At that time it was known as the Miki faction (after former Prime Minister Takeo Miki). It has 43 members in the Diet, the same number as before.

Stimulated by this renewed activity of the Komoto faction has been the Nakasone faction led by Yasuhiro Nakasone, now director general of the Administrative Management Agency. Both factions have held executive and general meetings since September for the purpose of strengthening factional unity.

Three Mainstream Factions

In response to these moves, the other major factions--those led by Kakuei Tanaka, Takeo Fukuda and Prime Minister Zenko Suzuki--have also come into action again.

Of these three mainstream factions, the one whose actions merits most attention is the Tanaka faction. At an executive meeting held on Tuesday last week, it was decided to form a "Thursday Club" made up of the faction's 95 Dietmen (56 in the lower house and 39 in the upper house). Appointed as the new club's representative was Susumu Nikaido, chairman of the LDP's executive council.

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Ever since former Prime Minister Kakuei Tanaka was forced to withdraw due to criticism of his involvement in financial irregularities in December of 1974, the Tanaka faction has been managed, at least on the surface, by LDP Vice President Eiichi Nishimura who has acted as its representative. For appearances' sake, a line has been drawn between the party and the former prime minister as far as political funds and certain other matters are concerned. Nishimura failed to get reelected in last June's lower house election and for this reason he has not joined the Thursday Club. Since Nikaido is Tanaka's right-hand man, Tanaka is expected to wield strong influence in the new club.

#### Strong Tanaka Influence

According to observers, the Tanaka faction, while supporting the Suzuki faction, aims at maintaining a key position in the party's mainstream structure.

These observers point out that the main reason for the revival of factions is a firm belief prevailing within the party that anyone aiming at the party presidency must have a strong faction behind him.

This view is borne out by the fact that the first factions to resume their activities were those belonging to Komoto and Nakasone, both of whom hope to be the next party president.

The LDP has always been a party having both the merits and abuses of a factional federation. Factions are the historical outcome of the party's development and cannot be easily dispensed with. There is, therefore, perhaps little reason why we should comment seriously on the dissolution of factions each time such moves get under way.

And we should not be deceived by any sham disbandment of factions that the LDP may undertake. We can only hope that the LDP leaders will refrain from any further talk about dissolving them in the future.

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POLITICAL AND SOCIOLOGICAL

FACTIONAL STRIFE WITHIN DEMOCRATIC SOCIALIST PARTY VIEWED

OW271355 Tokyo THE DAILY YOMIURI in English 25 Oct 80 p 3

[Article by Raisuke Honda in "Political Beat" column: "Sasaki in Pinch"]

[Text] Factional conflicts within the Democratic Socialist Party (DSP) appear to be simmering as voices critical of DSP chairman Ryosaku Sasaki are being raised with an eye on the forthcoming party convention scheduled for next February.

Since succeeding Ikko Kasuga as chairman at the 1977 party convention, Sasaki has been consistently pursuing a policy line of promoting friendly DSP ties with the Komeito party.

Since former DSP head Kasuga wants to see the party aligned with the ruling Liberal-Democratic Party (LDP), his shaky relations with Sasaki have reportedly worsened in recent days.

Most DSP members are split into two major groups within the party, headed by Sasaki and Kasuga, respectively.

Senior members of the Kasuga group include Saburo Tsukamoto, the DSP secretary-general, and Tadashi Kodaira, the party deputy chairman, who failed to be elected in the last Diet elections.

Among leaders of the Sasaki group are Eiichi Nagasue, the DSP's Diet policy committee chairman, and Keigo Ouchi, the chairman of the DSP policy study council.

Kasuga, who led the DSP for 6 years and now occupies the important post of permanent adviser to the party, still retains unrivaled influence within the party.

The group led by Sasaki is said to be no match in strength against the Kasuga group.

Sasaki, however, has firmly upheld his policy line of strengthening ties with the Komeito, as shown in the stepped-up election cooperation between the two parties in the last Diet elections.

The outcome of the election cooperation, however, was far from successful, as the Komeito suffered a major setback, while the DSP, too, lost some of its preelection Diet seats.

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Although the DSP obviously benefited far more from the election cooperation than the Komeito did, the anti-Sasaki DSP members are of the opinion that the election cooperation was a flop as it failed to lead the party to victory.

Reflecting the growing antiparty among the Kasuga group members against Sasaki, DSP secretary-general Tsukamoto has said: "It has at last become evident that our party could not make a happy pair with Komeito under the heavy influence of the Soka Gakkai Buddhist organization."

Another leader of the Kasuga group charges that many members of the confederation of labor (Domei), DSP's mainstay support body, are opposed to continued joint struggle in labor and civic movements with Soka Gakkai followers.

While Komeito secretary-general Junya Yano, who has become great often says jokingly: "I serve under two chairmen, Mr Takeiri of Komeito and Mr Sasaki of the DSP," Sasaki himself is said to be saying: "My party is virtually devoid of a secretary-general," thus displaying his distrust of Tsukamoto.

Such being the case, the Sasaki leadership could hardly run smoothly, although Kasuga has reportedly even tried to prevent his group members from going too far.

Some members of the Kasuga group have even demanded that Sasaki be relieved of the post should he fail to desist from his pro-Komeito policy.

Under the circumstances, "summit talks" were held Friday between Sasaki and the DSP, in which Sasaki and Prime Minister Suzuki at the initiative of the DSP, in which Sasaki confirmed that his party will agree to the government-submitted three defense-related bills under certain conditions.

Indications are that Sasaki was obliged reluctantly to talk with Suzuki after the DSP's Kasuga group strongly urged him to tilt to the right in favor of closer ties with the LDP.

Sasaki apparently felt it unavoidable to make the gesture of meeting the prime minister as a concession to his intraparty adversaries, because Sasaki is intent to seek reelection for a third consecutive term as DSP head in the coming party convention.

Though the DSP's strength as a political party is so small that the communist party derides it as "no better than an auxiliary force of the LDP," the intraparty relations of the DSP are complicated indeed.

Sasaki, therefore, may well have felt it extremely difficult to sooth the growing dissatisfactions within the party, while trying to follow his pro-Komeito policy line.

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ANXIETY FOR JAPANESE IN IRAN EXPRESSED

Tokyo MAINICHI DAILY NEWS in English 10 Oct 80 p 2

[Editorial: "Evacuation of Japanese"]

[Text]

With the prolongation of the war between Iran and Iraq, some 750 Japanese employed in the construction of the joint Iran-Japan Petrochemical Co. plant are being evacuated from southern Iran to Tehran. In three groups, they will make the 1,000-kilometer trip in three days. We hope that with the close cooperation of the Iranian authorities, the evacuation will be completed smoothly.

Since the intensification of the war, the Japanese residents in these countries have reacted quite differently. Of the 4,000 Japanese in Baghdad, the capital of Iraq, and Basra, an oil-producing area in southern Iraq, 1,700 have left the country by way of Jordan and Kuwait.

Yet almost all of the 1,740 Japanese in Iran have remained.

The contrast does not indicate that they are safer in Iran than in Iraq. We know that the petrochemical project in Bandar Khomeini, where the majority of the Japanese in Iran are working, has been bombed twice by Iraqi planes.

One of the main reasons the Japanese have stayed on may be the geographical advantage of Iran, which has more land than Iraq. As Iran's interior is deeper than that of Iraq, Iran could provide the Japanese with safe areas free from the effects of war.

Another reason is that the Iranian authorities, especially those responsible for the project, did not want to see the Japanese leave there.

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They apparently feared that the evacuation would further delay the completion of the project. At the time of the Iranian revolution, Japanese workers were evacuated from the project site, and it was believed that another evacuation would cause a one-year delay in the construction of the project.

We can understand the Iranian anxiety but we must also remember that war causes loss of life and injury. The Japanese workers themselves, as well as their families in Japan, also feel deep anxiety.

Fortunately, no Japanese casualties have been reported. Under the present circumstances, however, nobody can foresee an end to the war. We hope that the Iranian government will take into account the uneasy feelings harbored by many Japanese and that the Japanese government, in close contact with the Iranian government, will take proper measures for the safety of the Japanese residents.

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POLITICAL AND SOCIOLOGICAL

YOMIURI: GOVERNMENT NOT FACING PROBLEM OF HORMUZ STRAIT

Tokyo THE DAILY YOMIURI in English 23 Oct 80 p 2

[Editorial: "Hormuz Strait Problem"]

[Text]

There is a serious lack of coordination of views among government officials concerning the problem of defending the Hormuz Strait and sea-lanes for the transport of oil from the Middle East.

During a session of the House of Representatives ad hoc committee on national defense, Defense Agency Director-General Joji Omura stated that the government would study earnestly how to ensure the safe passage of Japanese tankers on the sea-lanes.

At the same session, Shinichiro Asao, director-general of the Foreign Ministry's North American Affairs Bureau, said the Japanese constitution permitted this country to share the cost with Western nations in organizing and maintaining a combined fleet to defend these sea-lanes.

Asao emphasized that this would not violate the constitution which prohibits Japan from exercising the "right of collective self-defense."

However, Chief Cabinet Secretary Kiichi Miyazawa said there was a limit "based on common sense" in exercising the right to defend the sea-lanes, thus modifying Omura's statement. Miyazawa also said that in deciding to share the cost with other countries Japan must consider the purpose of the expenditure.

**No Dispatch Of Forces**

But no matter how seriously the government studies this matter or how hard it tries to expand the sphere in the Far East covered by the Japan-US security treaty, it cannot dispatch military forces to the Hormuz Strait or take military action. This is not allowed by Japan's war-renouncing constitution and the government's policy of using defense forces solely for self-defense.

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This is what Asao meant. He indicates Japan will pay part of the cost of maintaining a combined fleet if this matter can be settled by money alone. It is strange the government has not formulated a coordinated view on the problem. After all this matter is of grave concern to the people of this country.

#### **Japan's Vital Stake**

Shuzo Hayashi, former director-general of the National Legislative Bureau, wrote in a series in The Yomiuri Shimbun: "The US, Britain and Australia are sending ships to the Hormuz Strait. Japan should not join those countries . . . But when Japan is told to think about the problem of what will happen to the sea-lanes used to transport oil from the Middle East through the Indian Ocean to this country, Japan must think about it."

This state the real problem which government officials are not really coming to grips with.

The oil-producing Gulf area is of great importance to Japan since 70 percent of its crude oil passes through the Hormuz Strait. Therefore, we cannot ignore the significance of this strait. But what can Japan really do?

The government should make this clear quickly and obtain a national consensus in order to win the trust of friendly countries. Japan must play mainly a nonmilitary role and cope with the changing situation by providing technical cooperation and economic aid, particularly to help the war-ravaged countries.

(October 23)

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POLITICAL AND SOCIOLOGICAL

FRASER'S WIN, JAPAN-AUSTRALIA TIES EXAMINED

OW230837 Tokyo ASAHI EVENING NEWS in English 22 Oct 80 p 7

[ASAHI SHIMBUN 21 October editorial: "Australia and Japan"]

[Text] The conservative coalition of the Liberal and National country parties led by Prime Minister John Malcolm Fraser was returned to power for another 3 years in the Australian general election. The Fraser Government has been in power since 1975.

Relations between Japan and Australia, which complement each other economically, are expected to become closer than ever before as a result of Fraser's victory. Domestically, the Fraser Government aims at developing natural resources, at eliminating fiscal deficits by encouraging exports, and at curbing inflation. In foreign affairs, it attaches importance to the alliance with the free countries of the West.

Encouraging cooperation with Japan has been one of the Fraser Government's priorities and it is likely to be made even more of a priority now.

The private 18th Japan-Australia joint economic committee meeting was held in Tokyo recently. One hundred and twenty leading Australian businessmen, the largest delegation so far, arrived in Japan. The participants in the meeting confirmed that they would cooperate in the plan for a Pacific economic community, and they discussed the possibility of cooperating in raising funds for the development of energy sources.

Nevertheless, the future of the Fraser Government is not so bright. In the election, Fraser's coalition won by a very narrow margin and the opposition Labor Party made a remarkable comeback. In the general elections in 1975 and 1977, the Labor Party was defeated so miserably that people said it would be perpetually in opposition. Now, however, it has rallied. Its leader, William Hayden, has popular appeal, and it was also helped by the entry of Robert J. L. Hawke, the former chairman of the Council of Labor Unions, into politics. It now feels that it can regain power. By advocating a reduction in income tax, it won votes from the conservative coalition. Now, with its slogan, "Don't Turn Australia Into a Quarry for Other Countries," it is girding itself to attack the government's policy of relaxing the controls on the introduction of foreign capital so that natural resources can be developed.

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One of the public pledges made by the Fraser Government was to create a "small government." But, in comparison with the gross national product, this fiscal year's budget is larger than any under the Labor government. The elimination of financial deficits through an austere fiscal policy, the expansion of employment and the curbing of inflation are the common tasks of the advanced countries, and Australia is no exception.

In the circumstances, Japanese businessmen should recognize that Australia needs to export on a long-term and stable basis. The Japanese tend to regard the fact that the Japanese and Australian economies complement each other as some kind of natural and unchanging phenomenon and they forget that their actions can seriously affect the Australian economy. Inflation in Australia is above 10 percent, and despite the boom in the development of natural resources, the unemployment rate is as high as 6.1 percent. If the Australian Government runs into difficulties in its economic management and the Japanese choose to act selfishly, the friendly relations that the two countries are enjoying at present are likely to become far from friendly.

Japanese businessmen should also pay careful attention to the feelings of the Australian people. The Labor government of Edward Gough Whitlam, which was in power from 1972 to 1975, collapsed amid economic confusion. It had pursued experimental policies in the field of foreign affairs: It sought to cooperate with Japan; it recognized China and North Korea; it tried to draw Australia closer to the Soviet Union; and it refused to allow U.S. nuclear-powered submarines to call at Australian ports. At home, it sought to reduce the role of American and British capital in the Australian economy.

It was a sign that Australia had come of age and the nationalistic feelings about natural resources are not expected to wane.

Some time has passed since a call was made for exchanges between Japan and Australia that went beyond economic and political affairs. Cultural exchanges are not mere adjunct to economic exchanges and our businessmen should not forget this.

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POLITICAL AND SOCIOLOGICAL

JAPANESE SENTIMENT TOWARD SOVIETS ANALYZED

Tokyo THE DAILY YOMIURI in English 13 Oct 80 p 3

[Behind the Scenes column by Minoru Hirano: "Zigzag Path to Moscow"]

[Text]

At a plenary session of the House of Representatives on October 6, a Socialist interpellator asked why the government had changed from an omnidirectional foreign policy to one which emphasizes cooperation with the rest of the Free World.

In reply, Foreign Minister Ito said the government had always followed a policy of cooperation with the rest of the Free World. It was not that Japanese policy had changed, but that the international atmosphere had changed this year with the Soviet invasion of Afghanistan and the Soviet military buildup in Japan's northern territory, he said.

At a plenary session of the same house on October 7, Prime Minister Suzuki said it was very regrettable that Japan-Soviet relations have become tense as a result of such Soviet actions as the expansion of military bases in the northern territory and the invasion of Afghanistan. Suzuki added that in the present situation it would not be reasonable for the people to support a Japanese initiative to mend Japan-Soviet ties. The Soviet Union should show sincerity first with a positive approach, he said.

The statements by Suzuki and Ito reflect present Japanese sentiment toward the Soviet Union. The Japanese have been anti-Russian for historical reasons. But their anti-Soviet sentiment has recently become particularly strong. Public opinion findings released by the Prime Minister's Office on September 28 disclosed that as many as 84 percent of the respondents said they felt no friendly feelings toward the Soviet Union, and 74 percent said they did not think present Japan-Soviet relations were good. The reasons mentioned by them were the Soviet attitude toward the northern territorial issue, Soviet military intervention in Afghanistan and the defense forces espionage case.

However, it is dangerous for any government to decide its foreign policy on the basis of public sentiment. Some persons suspect that the government must be taking advantage of anti-Soviet sentiment among the people and the public alarm against the Soviet Union in trying to step up defense spending. They assert that it was a public pledge by the government to seek detente regardless of what attitude Moscow may take.

When US President Carter and Chinese premier Hua Guofeng held a US-China summit in Tokyo after attending the memorial services for the late prime minister Masayoshi Ohira, one top Foreign Ministry official said, in order to prevent giving Moscow the impression that Japan, China, and the US were ganging up against the Soviet Union, that Japan should continue a dialog with that country. Another top Foreign Ministry official predicted that mending ties with the Soviet Union would be an important task for the Suzuki cabinet.

But this has not yet happened. The reasons are many. One is that Chief Cabinet Secretary Kiichi Miyazawa said, one month after the birth of the Suzuki cabinet, that what the most feared immediately after the formation of the cabinet was that the public would expect the new cabinet would take immediate steps to mend Soviet ties because Suzuki had been relatively much involved in dealing with the Soviets. Miyazawa added Suzuki had to dispel such expectations. (Suzuki, as agriculture and forestry minister in the Fukuda cabinet in 1977, spent about 40 days in Moscow to carry out fishery negotiations.)

Foreign Minister Ito is highly grateful to Carter for attending Ohira's memorial services, so much so that he looks emotionally obligated. Ito, rather than the

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career officials of the Foreign Ministry, is strongly opposed to easing the economic sanctions against the Soviet Union on the ground that any easing would cause Carter trouble.

Miyazawa has a superb sense of balance. He says that the situation at present does not favor an abrupt attempt by Japan to mend its ties with Moscow, but that it does not follow that the present soured Tokyo-Moscow relations may be left as they are and it is one of the important goals for the Suzuki cabinet to accomplish a rapprochement.

Ito cannot cling to his obligations to the late Ohira forever. The Pacific basin concept advocated by Ohira was not included in Prime Minister Suzuki's administrative policy speech on October 3. Within the Foreign Ministry, reexamination of Japan's policy toward the Soviet Union is being made under Deputy Foreign Vice Minister Yasue Katori, though without any publicity at all.

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POLITICAL AND SOCIOLOGICAL

BRIEFS

JCP DELEGATION RETURNS HOME--Tokyo, 22 Oct (JPS)--Chief of the Secretariat Tetsuzo Fuwa and others of the Central Committee of the Japanese Communist Party, who had attended the funeral service of the late President Luigi Longo of the CC of the Italian Communist Party, returned to Japan by air on 21 October. [Text] [OW221405 Tokyo JPS in English 0920 GMT 22 Oct 80]

JCP SENDS SOLIDARITY MESSAGE--Tokyo, 25 Oct (JPS)--The Central Committee of the Japanese Communist Party sent a message of solidarity to the Central Committee of the Communist Party of Cuba, on CPC's condemning the court martial of Venezuela for its recent release of criminals of explosion of a Cuban airline in 1976. The message follows: "The Venezuelan Government authorities released the criminals of the explosion of a Cuban airliner, encouraging international terrorists actions. We express our support for and solidarity with you in protesting against their step and in demand for its revocation. We with you achieve new successes in your struggles in defense of sovereignty and independence against U.S. imperialism which is supporting international crimes by CIA-organized Cuban counter-revolutionary elements, for ending economic blockade, return of Guantanamo base and suspension of espionage flights." [Text] [OW251249 Tokyo JPS in English 0927 GMT 25 Oct 80]

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MILITARY

ANALYSIS SHOWS SOVIET THREAT OVER-EXAGGERATED

Tokyo BUSINESS JAPAN in English Oct 80 p 53

[Article by Yoshiteru Oka, Associate Editor, FUJI EVENING]

[Text]

IT is quite understandable that the Self-Defense Force of Japan regards the Soviet Union as a potential enemy and propounds the theory of the Soviet threat, for the armed forces are essentially an organization whose spiritual tension is at least partially maintained by a real or assumed threat from a foreign force.

But the theory of the Soviet threat, presently being discussed actively not only by members of the Self-Defense Force but also by bureaucrats, businessmen, statesmen, journalists and, in fact, just about anyone with an opinion on the subject, is something quite different.

Regrettably, any logical and level-headed defense debate is rarely heard. Most talks are sentimental rants over the Soviet threat, resembling those drunken harangues we hear so often in pubs. Otherwise the defense debate is tinged by transparent greed to the effect that swelling the defense budget will contribute to Japan's economic prosperity — or more precisely, to the speaker's own pocket. The irresponsible observations on the Soviet threat seem only to demonstrate once again that those who shout loudest win in the end.

One weekly magazine predicted that the Soviet Union would attack Japan in retaliation for boycotting the Moscow Olympics when the games were over. (Japan had boycotted the Moscow Olympics in protest against the Soviet invasion of Afghanistan.) Of course such a prediction was pure nonsense and the Japanese are continuing to enjoy peace to the fullest extent.

Another group asserts that something will happen in the Middle East. the U.S. 7th Fleet will be speedily dispatched from Japanese waters to the trouble spot and the Soviet Union will attack Japan when the U.S. fleet's absence creates a defense vacuum. Still other groups declare that the Soviets will invade Japan some day without any pretext and will occupy Hokkaido as they have Afghanistan.

All these assertions boil down to the same conclusion that, therefore, Japan should build up its military power to forestall Soviet aggression.

It is hard to discern which is true and which is false. According to one estimate, the Soviet Union stations in its Far Eastern region 34 divisions (about 350,000 soldiers), 2,060 airplanes and 785 naval vessels (about 1,520,000 dwt). (National Defense Paper)

If we believe these figures, the Soviet military potential in the Far East has such an overwhelming superiority over Japan that the Japanese would lose the will to fight from the outset, for Japanese military power consists of 13 divisions (180,000 soldiers, the authorized number of personnel), 350 fighter planes and 157 naval vessels (about 200,000 dwt). This may be compared to putting a bear and a rabbit in the same cage.

However, the "785 naval vessels of the Soviet Union" needs further analysis. This number also comprises river-sailing gunboats and unarmed support vessels. To be more precise, there are 130 submarines (60 are outdated boats 20 years old or more and 31 are capable of launching long-range and

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short-range missiles), 31 battleships, cruisers and destroyers including the main battleship "Minsk," and 47 other miscellaneous vessels, totaling 78. Their main mission is submarine combat.

The Russians have about 18 amphibious vessels including the 13,000-dwt Ivan Rogov raid/landing vessel and other vessels in the 1,000 - 4,000 dwt class. Of course they are utterly inadequate to transport a landing force of at least five divisions to Japan. The landing operation would become practically impossible if Japan offered stiff resistance including the use of mines.

The same reservation applies to the aircraft which would play a vital role in any eventual conflict between Japan and the Soviet Union. Of the 2,060 Soviet airplanes in the Far East, bombers number 450, fighters and fighter-bombers 1,450 and reconnaissance planes 160.

Aircraft that can pose a real threat to Japan's security are 100 bombers of the Soviet air force for ground attack, 100 marine bombers for attacking naval vessels and about 1,000 fighters, 500 of which are exclusively used for defense of the Soviet territory.

There is a very limited number of fully equipped fighter-bombers available for launching an attack on Japan from Primorski Krai, the Maritime Province of Siberia and the most logical place from which to attack Japan.

Moreover, the Soviets must attack without the aid of ground radar, whereas Japanese fighters countering them would be guided by ground radar even under the most adverse conditions.

The above-mentioned figures are all based on the assumption that the Soviet Union would commit all its Far Eastern military power to an attack against Japan.

However, it is extremely unlikely that the Soviets would decide on such total concentration and commitment of personnel against Japan, leaving wide open the long and precarious frontiers with China.

Such a logical step-by-step analysis easily convinces us that the so-called "Soviet threat" is an exaggeration. Emotion-ridden defense debates will only drag Japan into moving in the wrong direction. □

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ECONOMIC

COLUMNIST SAYS DEFENSE SPENDING WILL DEplete NATION'S RESERVES

Tokyo MAINICHI DAILY NEWS in English 21 Oct 80 p 2

/"Zooming-In" column by Hideo Matsuoka: "Be Sparing With Our Assets"/

/Text/

"From Towada City, Mt. Hakkoda could be sighted on only three days during the whole month of August," writes author Toshio Kuramitsu. It was a terribly cool summer. The prospect of the year's rice crop worsens at every updating of the government's crop estimate.

In the Aug. 15 survey, the crop trend index was 99, which meant a near average harvest. By Sept. 1, it was down to 94, the fifth lowest in postwar Japan, and in the Sept. 15 survey, the index slid to 91, predicting the second worst harvest since 1953.

The crop outlook is particularly bad in the four Tohoku prefectures on the Pacific coast—Aomori, Iwate, Miyagi and Fukushima. In Aomori, among others, the index is at a disastrous 51 or half the average crop level. The successful development of new strains of rice plants that are particularly resistant to cool summers, it was once said, had made rice farming immune to unseasonable low temperatures in summer. But even these resistant strains did not fare well this summer. In Aomori Prefecture, the crop was near zero or a third of the normal crop in the southern part and on Shimokita and Tsugaru penin-

sulas. Throughout the summer, there was virtually no sunshine in these areas, and the cold winds from the Okhotsk added to the damage. The crop trend index of 51 has only one precedent—in Hokkaido.

But the crop failure scarcely affects the rice supply situation in Japan at this time when the country is stuck with a 6,500,000-ton surplus of old rice which is an equivalent of seven months' consumption. As far as consumption as staple food is concerned, rice continues to be in oversupply. The crop failure notwithstanding, the government is to continue its plan to dispose of 4,800,000 tons of surplus in five years by shipping it to Asian and African countries as free food aid.

What, then, does this year's crop failure in rice farming mean to Japan? The Natural Disaster Relief Finance Law will be invoked for areas that have suffered crop damage. Civil engineering projects will be created in these areas for relief of rice farmers. Since these will not pump enough cash to farm households, many will take jobs in cities as migrant workers. Such farmers may deserve sympathy for more or less missing being with the family. But working away

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from families is a common phenomenon in Japanese industry and business. Employees of trading companies, construction companies and plant manufacturers are often put on station in different parts of the world. While engaged in overseas work, some run into such misfortune as the Iran-Iraq War and the Algerian earthquake. We do not have to be commiserative with the Tohoku farmers alone.

From the government's financial viewpoint, the crop failure is an opportunity to increase the mixing ratio of old rice in ration supplies and thus speed up the disposal of rice surplus and reduce the deficit in the Food Control Special Account. Crop failure is not something to celebrate. But we must remember that we live in an age when we can no longer wholeheartedly rejoice over a bumper rice harvest.

#### Not Disheartening

A second worst postwar rice harvest should be an important event in Japan's agricultural history. Yet, it is not a very disheartening event in terms of the country's economy as a whole or the national living. The economy has grown so much that it can easily absorb and neutralize the adverse effects of the rice crop failure.

The Food Control Special Account is nursing a deficit of ¥1 trillion which, experts say, could top ¥2 trillion, depending on how it is calculated. It certainly is a big problem in the government finance. At the same time, it is an indication that Japan's fiscal and economic scales have expanded so much that they can sustain such a huge deficit.

The 6,500,000-ton rice surplus was built up unintentionally, or rather against the will, and in this sense it differs from the stockpiling of oil which Japan

has been trying to build up. International or not, the rice surplus which has built up is serving as a stockpile to cushion the effect of a crop failure. Even if Japan had no rice surplus, it has sufficient financial resources to import rice if necessary. The nation has no reason to be upset by a lean crop because it would not lead to anything even remotely resembling famine.

The crop failures in the Meiji Era and the "rice riot" of the Taisho Era are too old to cite here. Even since the start of the Showa Era, there were drastic crop failures in 1931 and 1934. The year 1931 was the year of the outbreak of the Manchurian Incident, and the 1934 crop disaster came two years prior to the celebrated 2.26 (Feb. 26) coup d'etat. The young Turks who rose in the coup had many subordinates who came from farming villages. From the stories told by these soldiers, the young officers became indignant of the political neglect and inattention. In other words, the 1934 crop failure was one of the causes of the coup. Crop failure in those days meant breakups of farm families. Poor families had to sell their daughters, and village offices set up special sections to counsel farmers trying to sell their daughters.

#### No 'Stock'

To put it in economic terms, both the state and the nation had no "stock." In such a situation, one crop failure could break up many families, and the state lacked the financial resources to come to their aid. Small as the country's economic scale was in those days, still the country could have built up the stock in an appropriate proportion to the scale of its economy. But whatever stock could have been built was usurped by the military as the defense budget.

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The national slogan then was "A Rich Country. A Strong Army." The riches, however, were preempted by the Strong Army.

The Imperial Diet passed in 1920 a navy plan to build the so-called 8-8 fleet (eight battleships and eight cruisers). In the national budgets for the years before and after the passage of the plan—1919, 1920, 1921, 1922—defense costs accounted for nearly half of the total spending. No stock buildup is possible when close to half the national spending is lost in equipping the country militarily. Both the country's economic resources and the individual's asset situation had no reserves to fall back on in case of an adverse event. One misfortune and everything would collapse. The situation carried into the Showa Era. Many of the Tohoku farm families were broken up during the 1931 crop failure. Such family tragedies had to happen because the military plundered the national resources in the name of national defense. The plunder culminated in 1921 when defense costs took up 49 percent of the national budget. The despoliation by the military did not allow the state to store the economic resources needed to cushion economic adversities should they strike.

The situation has undergone a complete change today. A crop failure in Aomori Prefecture will not break up Aomori farm families. Life may become a bit difficult. But the state has ample resources to offer assistance. Social security systems have become much more adequate. Japan is an industrial economy and a welfare state that can minimize the effect of an economic adversity.

But we cannot afford to be too sanguine about today's situation. It is in the past 10 years or so that Japan has built up its economy to the level where it stands today. How many companies have enough reserve to survive a recession that lasts two to three years? More than 80 percent of the Japanese are said to consider themselves as belonging to the middle class. Yet, it is not clear on what basis they classify themselves as such. They only "think," rather wishfully, that they are in the middle class. It is doubtful that they really belong there in strictly economic terms.

#### Reserve Assets

Several years ago when France had a foreign currency reserve of \$5 billion, it was popularly said the French individuals had hoarded among themselves gold in bullions and

other forms in the equivalent of their country's official reserve. Not every Frenchman and Frenchwoman had gold, of course. But the saying meant to suggest that the French had built up private reserve assets. The same must go for the British and Germans.

Compared with them, the Japanese are still poor in their reserve assets. Owning a little piece of absurdly expensive land should not be allowed to lull them into a false sense of security.

While the situation of Japanese assets still stands as such, some quarters are already advocating increased defense spending. We may tolerate a certain limited increase, if just to be sociable with a foreign government that wants us to spend more for defense. But when we start in all seriousness to turn Japan into a country of great defense capabilities, as some advocate, it will promptly eat up whatever national assets we have managed to build up so far. Military spending has the nature of always asking for more. There is no point where defense facilities may be considered sufficient. It will eat deep into the nation's "middle class" assets. Any arguments for a defense boost must be weighed against the possible erosion of national and individual assets.

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ECONOMIC

UNITED STATES TURNS TO JAPAN FOR TECHNICAL AID

Tokyo THE DAILY YOMIURI in English 29 Oct 80 p 4

[Text]

Detroit (AP)--This may be the land of Yankee ingenuity and good old American know-how, but auto-makers, engineers and manufacturers were getting lessons on manufacturing methods Tuesday from Japanese experts.

Near the birthplace of the automobile assembly line, 500 manufacturing specialists from the American Production and Inventory Control Society gathered in a Ford Motor auditorium for lectures by experts from Toyota Motor, Yamaha Motors, Waseda University and the American accounting firm of Arthur Andersen & Company.

American companies, impressed by the stupendous growth of Japanese productivity since World War II, have turned in recent years to Japanese firms for technical help, particularly in the steel industry.

"It's time we did some borrowing and adapting of our own," said Leighton Smith, Tokyo-based partner of Arthur Andersen.

Industry has noted that Japan has a loyal and cooperative work force, an understanding government, fast depreciation, high savings, high investment and fast-growing automation, and lower labor costs in some sectors such as the auto industry, he said.

And the Japanese have made huge strides in shop-floor management, Smith said.

Among the topics under discussion by the Japanese industrialists were:

● Factory specialization.

There are only 750 industrial "entities" in Japan with more than 1,000 employees. An entity—any industrial unit that has an administrative office—normally specializes in a single product, functional part or subassembly. A giant company like Toyota, for example, consists of many entities. By sticking to the manufacture of one product or one part, the factories don't lose time switching from one manufacturing process to another, and

their assembly workers become highly adept at their particular tasks.

● Uniform factory loading.

A factory produces at a pace set at the beginning of the month and not changed until the next month, unlike American auto assembly plants, which are likely to operate at different speeds throughout the month. The uniform pace avoids week-to-week uncertainty and fluctuations, although Japanese production varies from month to month.

● Constant striving for the minimum assembly lot size — 100 Yamaha motorcycles, for example — and machine set-up time, or the time to prepare a machine for another manufacturing process.

● Vigorous preventive maintenance to avoid machine breakdowns. Japanese manufacturers strive to minimize unexpected machinery problems, which could mean substantial repair time.

● "Just in time" deliveries.

Some plants get deliveries four times a day that go

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straight to assembly lines. The receiving company, a major assembler, for example, doesn't inspect the parts because that already has been done in a nearby supplier plant. That relieves the assembler of keeping inventory.

• Speedy communication.

Yamaha tells all companies in its supply chain at the same time of upcoming changes in its requirements. By comparison, it may take a month for word of a change in a US assembly plant to get to a company three links back in the supply chain, an Andersen expert said. The reason for the lag is that each link works out what happens to it before passing the word.

The Japanese experts said they were somewhat bemused to be lecturing to American engineers. They said that 20 years ago they would not have expected to be doing it. But one of them added through an interpreter, "we still have much to learn from your country."

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ECONOMIC

AUTO PRODUCTION HITS MONTHLY HIGH

Tokyo MAINICHI DAILY NEWS in English 23 Oct 80 p 3

[Text]

*Auto production ran faster than a year earlier for the 18th month in a row last month, hitting a September high of 1,003,827 units, the Japan Automobile Manufacturers Association said Wednesday.*

The figure showed a rise of 23.8 percent over the previous record of 811,052 units in September 1979.

Association officials cited as a major reason brisk sales of Japanese-built vehicles on overseas markets, notably the US and western Europe.

Domestic sales fell 3.8 percent short of the year-ago level, at 421,388 units.

Of the total output, passenger cars accounted for 648,681, up 25.6 percent.

Trucks rose 20.1 percent to 347,364 and buses jumped 45.9 percent to 7,782.

Production in the first half of fiscal 1980, which began in April, reached an all-time half-year high of 5,605,315, up 17.1 percent over a year before.

The previous half-year high was 5,484,019 in the first half of 1980. (on a fiscal year basis, 5,278,133 in the second half of fiscal 1979 was the previous record.)

Production of motorcycles also hit an all-time high of 614,709 last month, up 55.9 percent over a year before, breaking the previous record of 565,146 set only last July.

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ECONOMIC

AUTO INDUSTRY FACES CRITICISM, COMPETITION

Tokyo BUSINESS JAPAN in English Oct 80 pp 77-84

[Article by Yoshihiro Ohkawara, Business Manager, Japan Auto Parts Industry Association]

[Text]

AS compared with last year when Japan's auto industry enjoyed brisk business, the domestic sales of passenger cars and trucks in the first half of 1980 decreased by 5 to 6% in value and 17 to 18% in units on the average. By month, except for February when sales increased by 2.3% over the same month of last year, the number of cars sold decreased by 1.5% in January, 0.2% in March, 3.6% in April and 8.2% in May.

As the industry enjoyed unprecedented brisk business last year, its relative sluggishness in the first half of this year was not considered especially serious.

The industry's output of four-wheeled vehicles reached 5,460,000 in the first six months of this year, 18% up from the same period of last year, while its exports totaled 2,930,000. The industry can be said to have enjoyed generally good results.

As a result, the auto parts industry also benefited from increased sales along with the growth of auto output.

As for the outlook for both output and sales in the second half of this year, however, few people believe that they will chalk up any big figures.

Even though Japanese-made cars have attained a high international reputation for their low fuel consumption, high performance and solid build, the criticism aimed at the Japanese auto industry by the U.S. and EC countries for the increasing auto exports from Japan has become so severe that the industry must re-

examine its international position and find ways to promote its output and sales.

Output of Autos

The industry's output in the first half of 1980 registered an 18% increase if the 215,000 units which were exported on a knock-down basis are included. As its exports increased by 38% over the previous year, the decrease in its domestic shipments was compensated for by the sharp increase in exports.

The industry's output of two-wheeled vehicles markedly increased by 147.7% from 2,040,000 in the first six months of last year to 3,010,000 in the first six months of this year. In addition, some 500,000 were exported on a knock-down basis.

As for four-wheeled vehicles, every manufacturer except for Hino Motor increased its output, while every two-wheeled vehicle manufacturer registered a sharp increase in production.

Exports of Autos

A sharp increase was recorded in the industry's exports in the first six months of this year over the same period of last year.

This was due partly to the fact that the nation's international payments balance had increased so greatly that the government restricted the nation's exports while promoting imports in the first six months of last year. The auto industry's exports in the first six

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Table 1. Exports by Type of Four-Wheeled Vehicles  
(Jan.-June 1980)

Type	Units exported	Share	Growth Rate (over same period of 1979)
Passenger cars	1,971,969 (123,437)	67.3%	34.8% (19.1%)
Trucks	928,943 (181,372)	31.7%	43.5% (56.4%)
Buses	28,588 (3,677)	1.0%	102.2% (25.6%)
Total	2,929,500 (308,486)	100%	137.9% (138.6%)

Figures in parentheses indicate those exported on a knock-down basis.

Table 2. Exports of Four-Wheeled Vehicles by Region

Region	Number of Units	Share (%)
Southeast Asia	259,961	8.9
Middle and Near East	284,662	9.7
Europe	626,495	21.4
North America	1,326,997	45.3
Central America	86,031	2.9
South America	70,316	2.4
Africa	137,863	4.7
Oceania	136,315	4.7
Other regions	860	—
Total	2,929,500	100%

months of this year increased by 810,000 units to 2,930,000 units, some 38% up and an all-time high.

While passenger cars increased by 34.8% to 1,970,000, trucks increased by 43.8% to 929,000 and buses by 22% to 29,000.

In value, exports of both finished cars and those on a knock-down basis reached \$11,500 million, 133.3% up from last year, while exports of sets to be assembled increased to 88.2% to \$210 million.

While passenger cars assumed 67.3% in exports, trucks assumed 31.7% and buses 1%.

Cars exported assumed 53.6% of

the industry's total output of 5,460,000 units as compared with 45.9% registered last year.

In addition, exports of two-wheeled vehicles in the first six months of this year totaled 1,890,000, up 680,000 or 56.5% from the same period of last year. Exports also recorded an all-time high.

The exports assumed 62.9% of the total output of some 3 million vehicles.

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Table 3. Exports of Two-Wheeled Vehicles by Type  
(Jan.-June 1980)

Type	Units exported	Share	Growth rate (over same period of 1979)
First class vehicles with motor (less than 50 cc)	267,984	14.2%	52.5%
Second class vehicles with motor (51 cc - 125 cc)	880,847	46.6%	58.2%
Light two-wheeled vehicles (125 cc - 250 cc)	252,349	13.4%	89.5%
Auto two-wheeled vehicles	487,393	25.8%	48.4%
Total	1,888,573	100%	

## Exports of Auto Parts

As the output of autos registered steady growth, auto parts also progressed on a stable basis. There was no problem to be specially dealt with in the Jan. - June 1980 period. However, it has become more and more essential to work out measures to reduce the cost of auto parts production, a difficult challenge since the costs of many items ranging from personnel expenses, power rates (because of the rise in crude oil prices), and raw materials have markedly increased.

Because the auto parts industry has undertaken various measures to rationalize its production for many years, it is not so easy for the industry to further absorb these increased costs. Strenuous efforts are being taken by the industry to improve its production technologies and research and development with this fact in mind.

The international environment surrounding the nation's auto and auto parts industries is serious indeed. Especially in the United States, the production of small cars is showing promise of full-fledged growth. The pattern of auto manufacturing is constantly changing.

## Production of Auto Parts

According to statistics released by the Ministry of International Trade and Industry, the industry's output in the first five months of this year

reached ¥862,500 million, some 25% up from ¥690,600 million registered in the same period of last year.

The statistics covered 40 major items and show that the auto parts industry is increasing its output steadily.

## Exports of Auto Parts

Though exports of auto parts registered a slight increase in 1979 with a figure of \$3,000 million over \$2,900 million in the previous year, those in the Jan. - May 1980 period showed more favorable results: a 6.7% increase in January, 10.7% in February, 1.2% in March, 14.1% in April and 23.3% in May. Generally speaking, however, the exports still showed a low level increase of only 11.1% over the same periods last year. As for the future of the industry, it is really difficult to predict because drastic changes are being made constantly in the output of auto parts in both advanced auto producing countries and developing countries.

## Facing the Future

Japan's auto industry has more or less managed to eliminate all possible pollution to be generated from driving cars, and as for measures to guarantee safe driving, it is gradually materializing concrete steps. Though criteria being adopted by every nation or by international organizations concerning



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Table 4. Exports of Two-Wheelers by Region

Region	Number of Units	Share (%)
Southeast Asia	348,043	18.4
Middle and Near East	103,598	5.5
Europe	486,813	25.8
North America	588,141	31.1
Central America	26,978	1.4
South America	98,095	5.2
Africa	163,450	8.7
Oceania	71,813	3.8
Other regions	1,642	0.1
Total	1,888,573	100%

Table 5. Auto Parts Output

	(in ¥1 billion)				
	1977	1978	1979	1980	1980/1979
Jan.	103.9	127.0	128.7	155.5	121%
Feb.	102.7	129.8	131.2	167.8	128
Mar.	116.5	140.1	141.4	178.1	123
Apr.	117.7	140.0	143.2	181.4	127
May	112.7	138.9	146.1	179.7	123
Total	553.5	675.8	690.6	862.5	125

such pollution and safe driving may vary, these are the problems to be properly dealt with and solved by continuous efforts as highly difficult technical problems inherent to automobiles. Not a single technical staff member in the auto industry can be allowed to neglect making efforts in this respect.

But, the most important and urgent problem for the auto industry throughout the world is to develop cars with low fuel consumption, we believe.

Japan, a country without natural resources, has exerted much effort to develop small cars with less fuel consumption, and its auto industry is now enjoying the widest possible diffusion throughout the world as its vehicles are meeting the requirements of almost every driver in the world. This has resulted in the marked increase in exports to the United States, Europe and other regions of the world to such

an extent that these countries are requiring Japan to restrict its auto exports. However, as the U.S. auto industry is making tremendous efforts to develop small cars with less fuel consumption and their diffusion in that market is also making rapid progress, it is now difficult for us to precisely predict how the map of the world's auto industry will change from now on. □

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Table 6. Exports of Auto Parts

(In \$1 million)

	1979	1980	Growth rate
Jan.	191	204	6.8%
Feb.	250	277	10.8
Mar.	275	278	1.1
Apr.	238	272	14.3
May	242	298	23.1
Total	1,196	1,329	11.1%

Table 7. Exports by Region

(Jan.-May 1980)

North America	\$355 million	26.8%
Western Europe	148 "	11.1
East Asia	131 "	9.8
Southeast Asia	210 "	15.8
Middle & Near East	152 "	11.4
Africa	132 "	9.9
Central America	61 "	4.6
South America	38 "	2.9
Oceania	73 "	5.5
Communist Bloc	29 "	2.2
Total	\$1,329 million	100%

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## ECONOMIC

## JAPANESE AUTO WORKERS SAID TO BE 'TOO DILIGENT'

Tokyo MAINICHI DAILY NEWS in English 21 Oct 80 p 3

[Text]

By A Mainichi Staff Writer

Criticism that the Japanese are workaholics is being increasingly heard these days from auto industry circles in Western Europe and the United States, and even some of the mass media are beginning to echo this sentiment in their reports.

The future prospect of this sentiment is that the worse the auto business in Europe and the U.S. becomes, the stronger the view will prevail.

The West German magazine *Der Spiegel* recently ran a story describing how hard the Japanese work in comparison with the Germans.

According to a survey by the magazine, the Japanese work an average 246 days a year while the Germans work only 205 days.

"More surprisingly, it is easy to find Japanese workers who do not necessarily enjoy their annual paid holidays," the magazine said.

"The surging dominance of world markets by Japan-built autos," the magazine commented, "is apparently ascribed to their hard work."

One American auto executive is more cynical about the diligence of the Japanese than the magazine.

L. Iacocca, chairman of Chrysler, went so far as to demand that Japan not export autos to his country that have been assembled during overtime shifts.

His reasoning is that the overtime of the Japanese is "unfair" in the global competition for auto sales, and they should take more days off.

Statistics offered by the Confederation of Japan Automobile Workers' Unions (CJAWU) provide data on whether the Japanese are really working longer shifts than foreigners.

Presently, a five-day work-week is common practice among auto workers in Japan, the U.S. and Europe.

The CJAWU reported that regular working hours averaged roughly 1,992 yearly for the Japanese, against 2,008 for the West Germans and the Italians.

A comparison of working hours alone, however, does not tell the true story.

In calculating working hours in real terms, the Japanese easily outdistance foreigners.

Contributing to lengthening the working hours of the Japanese are the different views on paid holidays of other nations.

Sweden's Volvo, for instance, gives its employees 25 paid holidays annually, while Italy's Fiat provides its workers with 20 days.

On this point, the Japanese auto makers are not too far behind the foreign makers as Japanese management has promised workers a 20-day paid vacation.

But, Kazuo Shioji, chairman of the CJAWU, noted that "Japanese auto workers opt to reserve their paid holidays as a right, while Americans and Europeans usually use them out of a sense of duty."

## Overtime Issue

Also, overtime is taken for granted in Japan and, in fact, is considered the norm. "The fact is," maintained an auto official, "we never observe this element in the American and European auto industries, now plagued with shutdowns."

The Labor Ministry said that the average worker manufacturing transportation machinery worked 28.3 hours a month overtime in July.

This figure is noteworthy when compared with 16.5 hours for an employee of the total manufacturing sector.

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The ministry official commented further that overtime by auto workers would far surpass the 28.3 hours in the transportation machinery industry.

As a result, it is estimated that a typical Japanese auto worker works more than two thousand three hundred hours per year.

The Japanese auto industry has reacted critically to the view that Japanese auto workers are too "diligent."

"The Japanese auto workers do not necessarily work overtime just for the American and European markets," contended one auto maker official.

"Their overtime results from customers preferring our superior car," he added.

Yoshihisa Yokoyama, an executive of Nissan Motor, explained that overtime was worked at the direction of the work force management.

"It is not possible for us to easily reduce our work force as in America and Europe. A superfluous work force is something we want to avoid most."

"So, we are always careful about keeping our workers at a minimum level," Yokohama argued.

"Therefore, it is not surprising that our booming business has created more overtime than ever before."

Even auto workers unions appear to consent to this reasoning.

Since summer last year, the CJAWU has been attempting to slash working hours by eight a year, but despite their efforts overtime has not been reduced.

In short, a CJAWU official emphasized, those who complain about Japanese working hours have missed the point that Japan has a different social structure.

"To me, they are shortsighted and lack cool analysis," he said.

It is extremely doubtful, however, whether his assertion will be acceptable to the auto industry in America or Europe.

Unless the growing share of the global market by Japanese auto makers dwindles, it is most likely that the Japanese industry will receive more complaints from its American and European counterparts.

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ECONOMIC

JAPAN-EC TRADE FRICTION

Tokyo THE DAILY YOMIURI in English 24 Oct 80 p 5

[Article by Jiro Yokoyama]

[Text] International Trade and Industry Deputy Minister Naohiro Amaya's recent trip to Europe seems to have hardly produced any good result although he tried to find a clue to solving the trade friction between Japan and the European Communities (EC).

Amaya, who calls himself a "fireman in trade friction," met with West German Economic Minister Otto Graf Lambsdorff, EC Vice-Chairman Wilhelm Haferkamp and other European leaders during the eight-day visit before he returned home last week.

EC's trade deficit with Japan was \$5 billion in 1978 and \$5.1 billion in 1979. It is expected that the deficit will increase to \$8 billion-\$9 billion this year. At this rate, the trade imbalance between Japan and EC will only continue to expand further.

Between 1976 and 1978, Japan's exports of steel, automobiles and color television sets to EC rapidly increased, inviting a strong criticism against Japan.

Amaya visited European countries with the intention of nipping friction in the bud so that it would not

grow further and become a major issue between Japan and West Europe.

In Amaya's visit, Japan used EC's trade strategy toward Japan as a tool for negotiations. The strategy, which EC worked out in July, includes the following measures:

- EC will conclude an agreement with Japan restricting imports of 57 items, including passenger cars, trucks, TV sets and tire tubes, for two to four years.
- While the agreement is in effect, the EC member countries will improve their industrial structures.
- After that, the import restrictions will be removed.

Some EC countries, including France and Italy, however, are opposed to this strategy, which is a kind of organized trade system. Such countries fear that if imports are liberalized in the future, their domestic industries will be adversely affected.

The International Trade and Industry Ministry (MITI) explained to EC that Japan will voluntarily restrict exports of items constituting "threats" to EC if EC carries out the strategy and shows the plan to lib-

eralize the 57 items.

MITI concluded that it would not be advisable for Japan to cooperate with EC in its protectionist moves but that a little sacrifice on the part of Japan for the time being would lead to a balance trade between Japan and EC in future.

Although EC appreciated Japan's efforts to voluntarily restrict exports during Amaya's visit to Europe, EC-urged Japan to open its market for leather and agricultural products on the grounds that efforts made so far were not enough. This shows how difficult trade negotiations are.

Recent statistics show the total number of jobless in the nine EC countries reached 7,100,000 at the end of September, surpassing the 7,000,000 mark for the first time. The unemployment rate was 6.5 percent.

It is not easy to improve the industrial structure in an area where there are so many unemployed people. It takes time. While giving time to EC, Japan should promote its imports. There seems to be no alternative but to patiently seek for a policy that will benefit both.

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ECONOMIC

EUROPE UNITES AGAINST JAPANESE CAR EXPORTS

Tokyo BUSINESS JAPAN in English Oct 80 p 41

[Article by Hokaji Mino, Editor-in-Chief, BUSINESS JAPAN]

[Excerpt] **R**EPRESENTATIVES of the Japanese and British automakers met in Tokyo in early September. Needless to say, they discussed how to curb exports of automobiles from Japan to Britain. Now West Germany is also voicing demands to curb the export of cars from Japan. Trade conflict over Japanese cars has now spread from America to Europe. Let us examine the circumstances and logic behind this European attitude.

As is well known, major European countries are united in EC (European Community). Out of the nine EC member countries, four of them, namely Great Britain, West Germany, France and Italy, are producing automobiles. Voices accusing Japanese cars of flooding the market have been strong in Britain for some time, mainly fuelled by the stagnating business of automakers including former British Leyland (BL) and Rolls-Royce. Less than 10% was generally assumed to be the share for Japanese cars in the British market and this figure has been strictly observed until now. The growth rate of Japanese automobiles, including buses and trucks, sold in the British market has stayed around 10% since 1975.

Restrictions in Italy are still more severe. In that country the import quota for Japanese cars has been set at 2,200 units per year since 1971. The market share of Japanese cars in France is customarily set at about 3% although no definite restrictive measures are in force.

West Germany has been more open-minded concerning Japanese cars than Great Britain, Italy or France. Both automakers and the government of West Germany have been maintaining a policy of free trade and open-door economy. Germans have absolute confidence in their automobile technology which has given rise to Volkswagen and Mercedes-Benz.

Nevertheless, the sale of Japanese cars in West Germany is steadily growing. The sale of Japanese automobiles in that country in that first half of 1980 (January-June) grew 60% over the corresponding period of 1979.

The market share has also jumped from 5% to 9%. Such phenomenal growth has finally exhausted the patience of West Germany which usually acts on the principle of free trade. Even Germans began to clamor for restrictions.

Overall exports of Japanese cars in the first half of 1980 attained an unprecedented level, increasing 38% over the corresponding period of the preceding year. The export growth rate of Europe, 29%, is lower than this overall growth and is also lower than the growth rate of exports to the United States (32%) where trade conflict has flared up.

Why then have European countries raised an outcry against Japanese cars in unison at this time? Their logic cannot be understood unless we take into account the difference between market share and export volume. If the market is expanding, the market

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share will diminish even if the export volume remains constant. If on the contrary, the auto market is contracting, the market share keeps on growing as long as the export volume remains constant.

This is the circumstances and logic behind European thinking. The market share of Japanese cars will keep on growing unless Japan curbs its export volume.

Britain is a typical example. The export volume of Japanese passenger cars shipped to Great Britain totaled about 130,000 units in the first half of 1980. This constitutes an increase of 15% over the corresponding period in 1979, which is considerably lower than the growth rate in the entire period of 1979 which stood at 23%. In other words, Britain's car market is expanding.

But British automakers and government authorities do not see the development in the same light. Apparently the growth was not so alarming until June. But the market share grew to 18% in June and momentarily surged above 20% in early August. This fed the general feeling of crisis and made Japan the target of violent accusations. "Japan is maintaining an unrealistically high export volume," ran the criticism, "and our market will be captured by those Japanese sooner or later."

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ECONOMIC

RESTRAINT IN JAPAN'S EXPORTS TO EEC URGED

OW251707 Tokyo THE JAPAN TIMES in English 24 Oct 80 p 16

[Editorial: "Trade Friction With EEC"]

[Text] The trade imbalance between Japan and the European Economic Community (EEC) has grown rapidly in recent months, reaching the point where constructive measures are required on both sides to counter the destabilizing developments.

During the first half of this year, Japanese exports to the common market expanded 24 percent over the same period of a year ago, but imports from that region increased only 2.7 percent. The EEC already ran a larger trade deficit for the first 8 months than for the whole of 1979 (\$5.1 billion) and, according to an EEC estimate, may reach close to \$10 billion at the end of the year.

Reports from Europe indicate that protectionist pressure is on the rise. The Europeans fear that the rapid influx of Japanese industrial products, such as autos and color TV sets, threatens the future of their domestic industries. Even West Germany, traditionally a "free trader," is now openly complaining about the "inroads" of Japanese cars.

Japanese exports to the EEC are expanding at a time when its member nations are struggling to get out of the economic slump caused by the second oil crisis. Unemployment in the area is at a high level, with more than 7 million persons, or 6.5 percent of the labor force, out of work.

The Japanese economy, also in a slump, is experiencing a weakening of domestic demand. As happened after the first oil crisis, this prompts producers to increase foreign sales. Thus, Japanese products, with their undiminished competitiveness, flow into foreign markets in greater numbers.

What is happening reminds us of the experience of 1975-76. In 1975, the EEC's trade deficit grew rapidly, to \$3.2 billion from \$1.9 billion the previous year. And in 1976, when trade friction came out into the open, Tokyo and Brussels moved to save the situation.

On the Japanese side, action was taken, both on official and private levels, to exercise restraint on the exports of "sensitive" items--cars, ships, steel, electronics, ball bearings. Japan also promised to facilitate imports from EEC countries. The common market, meanwhile, acknowledged the importance of promoting sales and investment in Japan.

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Progress made in the area of imports, for instance, proved to be substantial. The EEC expanded its sales to Japan by 15.8 percent in 1977, or nearly twice as fast as in 1976. The growth rate jumped to nearly 50 percent in 1978. But imports began to slow down in late 1979 and even dropped in the second quarter of 1980, thus causing the trade gap to widen by a large margin.

The latest experience indicates that the pattern of Japan-EEC trade remains basically unchanged, notwithstanding the mutual efforts to make it a better balanced one. Japan's industrial products, from cars to cameras, continue to enjoy a competitive advantage over similar European items.

Beyond that, Japan's trade structure remains such that exports must be promoted in order to pay its enormous import bills for energy and raw materials. It is, of course, no easy task to alter this structure. So Japanese businesses continue to rely heavily on export demand, particularly in times of domestic economic slowdown.

Now the EEC is calling for "concrete" steps to improve the trade relations, including restraint on exports, and Tokyo is listening. Recently, Mr Naohiro Amaya, vice minister for international affairs, the Ministry of International Trade and Industry, met with EEC officials. Later this month, Mr Saburo Okita, the chief trade negotiator, is expected to see Mr Commission in charge of economic affairs.

The coming ministerial negotiations are likely to revolve around a trade strategy announced by the commission earlier this year. That strategy, though not yet final, calls for this country to limit exports for a number of years in return for the lifting of quantitative import restrictions against certain Japanese goods.

It is Japan's declared policy to avoid disruptive concentrations of exports in particular markets. Restraint along the lines of this policy is in order. The EEC needs a breathing period in which to make the needed adjustments to import competition. Japan should cooperate with them so that more balanced two-way trade expansion may be achieved on a long-term basis.

In order to make this possible, however, a comprehensive program of cooperation, including not merely short-term remedies but also long-run measures, is necessary. That seems to be the only way to avoid an endless repetition of trade friction, which could weaken the basic relationship of trust between Japan and the EEC.

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ECONOMIC

JAPAN, INDONESIA FORM FIRM TIES

Tokyo BUSINESS JAPAN in English Oct 80 pp 43-51

[Article by Tadao Morotomi, Chief of South Asia-East Europe Division, International Trade Policy Bureau, Ministry of International Trade and Industry]

[Text]

INDONESIA has been executing its third five-year plan since fiscal 1979. The objective of the plan is to develop the country by attaining three major goals: (1) social justice, (2) high economic growth and (3) national stability.

The major targets of concrete measures are promotion of (1) non-oil exports, (2) labor-intensive small-scale industries and (3) agriculture to achieve self-sufficiency in foodstuff.

Indonesia today enjoys considerable economic prosperity backed by proper financial management after the devaluation of the rupiah in 1978 in addition to an increase in foreign currency earnings due to the escalating crude oil prices. Actually, the scale of the budget for the second year of the five-year plan has increased greatly — 66% over the previous year. Moreover, the rice crop which failed in 1979 is expected to reach a high of 20 million tons in 1980. Consequently, the prospects are bright that, in 1980, Indonesia will be able to do without the rice imports which previously required annual expenditures of several billions of dollars and threatened the country's foreign exchange reserve situation.

External Economic Relations

Indonesia's exports in 1979 totaled \$15,600 million, showing an increase of 133.8% over the previous year, while its imports totaled \$7,200 million, an increase of 8% over the previous year. Exports of oil and oil products which are Indonesia's principal export items increased by 22%, while lumber and rubber imports increased remarkably by 74% and 41%, respectively. Promotion of non-oil exports, one of the major targets of the five-year plan, seems to be producing steady results. (Table 1)

Indonesia's official foreign debts had increased year after year and reached \$13,600 million in 1979. The annual repayment amount also is increasing. However, as a result of the sharp increase in exports, the debt-service ratio decreased to 1.3% in 1979 and is expected to decrease further in 1980. (Table 2)

Consequently, Indonesia's foreign exchange situation has improved greatly with the reserves exceeding \$6,000 million at the end of June 1980. This probably can be attributed not only to soaring oil prices but also to the rise in the international prices of Indonesia's traditional export items such as lumber, tin, rubber and coffee. (Table 3)

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Table 1. Indonesia's Trade Balance

(Unit: \$1 million)

Item \ Year	1976	1977	1978	1979
Exports	8,547	10,853	11,643	15,578
Oil and oil products	6,004	7,298	7,439	(P) 9,075
Rubber	530	588	717	(P) 1,014
Lumber	781	954	995	(P) 1,732
Imports	5,673	6,230	6,690	7,225
Trade balance	2,874	4,623	4,953	8,353

Source: IMF statistics

Table 2. Indonesia's Cumulative Official Foreign Debts

(Unit: \$1 million)

	Cumulative debts (a)	Debt service ratio (%)
1973	5,250	8.3
1974	6,340	6.3
1975	7,989	10.3
1976	9,993	11.4
1977	11,630	15.9
1978	13,083	18.4
1979	*13,600	*13

Source: World Bank Report

\* Provisional figures

Table 3. Indonesia's Foreign Exchange Reserves

(Unit: \$1 million)

Year	Foreign exchange, etc.	Gold	Total
End of 1970	158	* 2	160
End of 1971	185	* 2	187
End of 1972	572	* 2	574
End of 1973	805	2	807
End of 1974	1,490	2	1,492
End of 1975	584	2	586
End of 1976	1,497	2	1,499
End of 1977	2,509	7	2,516
End of 1978	2,626	37	2,663
1979 March	2,940	43	2,983
June	3,195	50	3,245
September	3,291	63	3,354
December	4,062	105	4,167
1980 March	4,183	386	4,567
June	n.a.	n.a.	(P) 6,100

Source: IFS

\* Estimates

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Table 4. Trade Relations Between Japan and Indonesia

Figures in brackets show percentage change from the year before (Unit: \$1 million)

Item \ Year	1975	1976	1977	1978	1979
Exports	1.850 [127.5]	1.639 [ 88.6]	1.797 [109.6]	2.095 [116.6]	2.124 [101.4]
Imports	3.430 [ 75.0]	4.091 [119.3]	4.997 [122.1]	5.247 [105.0]	8.794 [167.6]
Total	5.280 [ 88 ]	5.730 [108.5]	6.794 [118.6]	7.342 [108.1]	10.918 [148.7]
Balance (Excluding mineral fuels)	Δ1.580 (1.145)	Δ2.452 ( 520)	Δ3.200 ( 734)	Δ3.152 ( 782)	Δ6.670 (Δ201)

Table 5. Japanese Exports to Indonesia by Commodities

(Unit: \$1 million)

Year \ Item	1977	1978	1979	1980 (1 ~ 6)	
					Compared with year before
Textiles	79	93	127	65	103.0
Chemicals	234	242	331	178	104.9
(Synthetic plastics)	96	93	125	64	104.0
(Cheical fertilizer)	2	3	5	4	236.4
Metals	331	409	466	324	150.7
(Steel)	229	306	361	238	144.7
(Metal products)	57	61	62	57	187.4
Machinery & equipment	974	1,158	984	793	201.3
(Textile machinery)	46	71	55	40	142.4
(Automobiles)	265	376	257	222	238.9
(Motorcycles)	55	49	28	35	364.5
(Ships)	54	53	15	32	455.6
Total	1,797	2,095	2,124	1,508	163.8
Growth rate (%)	9.6	16.6	1.4	63.8	

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#### Economic Relations Between Japan and Indonesia

Trade between Japan and Indonesia has grown steadily in the past few years. The trade balance has shown an overwhelming import surplus for Japan. In the past, the balance turned in favor of Japan if mineral fuels including crude oil were excluded. In 1979, however, Japan showed a trade deficit with Indonesia even when mineral fuels were excluded. (Table 4)

Japanese exports to Indonesia in 1979 totaled \$2,100 million, registering a slight increase of 1.4% over the previous year, while its imports from Indonesia totaled \$8,900 million, showing a sharp increase of 67.6%.

The total of exports and imports attained the level of \$10,000 million for the first time in the history of Japan-Indonesian trade, and Indonesia has become Japan's third largest trading partner. In the number one spot is the United States, doing \$46,800 million-worth of trade, while Saudi Arabia is second with \$16,000 million.

By commodities, Japanese exports of machinery including automobiles, textile machinery and electrical equipment totaled \$980 million, accounting for a 46% share of all exports. This is followed by steel amounting to \$380 million, accounting for a 17% share, and by plastics and textiles each amounting to \$130 million and accounting for a 6% share. (Table 5)

Of Japanese imports from Indonesia, mineral fuels accounted for \$6,470 million or a little more than a 70% share, and lumber for \$1,610 million or a 18% share. Among Indonesia's non-oil export items, lumber is the principal commodity imported by Japan. In 1979, Japanese imports of lumber in terms of quantity increased only by a little less than 10% over the previous year, but in terms of dollar amount they registered an increase of more than double the amount of the year before owing to a sharp rise in international prices. (Table 6)

In the first half of 1980, Japanese exports to Indonesia increased by 60% over the figure for the same period the year before, and imports from Indonesia almost doubled those of the previous year.

Machinery and steel, which are the principal Japanese export items to Indonesia, contributed to the over-all export increase, with machinery increasing by two-fold and steel by 50%. As a result, machinery accounted for 51% and steel for 21% of total exports.

In the case of Japanese imports from Indonesia, mineral fuels, the principal import item, increased 2.2 times, accounting for an 80% share, and lumber increased by 50%, accounting for a 12% share.

#### Foreign Investments in Indonesia

The cumulative total of foreign investments made in Indonesia as of the end of June 1979, showed that large investors were Japan (34%), Hong Kong (11%) and the United States (6%). (Table 7)

On an annual basis, Hong Kong was the top investor in 1976 and 1977, but before that Japan had held that position. During the first half of 1979, the United States made substantial investments and topped the list of investing nations. Among others, Denmark and Great Britain sharply increased investments, claiming second and third place on the list. It should be noted that statistics compiled by Indonesia do not include investments related to petroleum.

#### Japanese Investments in Indonesia

As of the end of fiscal 1979, the cumulative total of Japanese investments made in Indonesia was \$3,860 million, accounting for 12.8% of some \$30,000 million invested by Japan in all parts of the world, and 46% of \$8,390 million invested in Asia. Indonesia is Japan's No.2 investment-receiving country next to the United States.

Investments in the mining industry including development of petroleum and natural gas accounted for 60.2%, and those in the manufacturing industry as a whole including steel and textile industries accounted for 30.9%. (Table 8)

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Table 6. Japanese Imports From Indonesia by Commodities

(Unit: \$1 million)

Year	1977	1978	1979	1980 (1 ~ 6)	
					Compared with year before
Foodstuff	239	277	365	173	97.6
(Marine products)	177	210	268	117	89.9
Raw materials	755	898	1,611	901	156.2
(Lumber)	703	716	1,534	858	158.6
Mineral fuels	3,777	3,934	6,469	5,338	210.0
(Crude oil)	3,353	3,103	4,882	3,735	190.4
(Liquefied natural gas)	65	541	1,091	n.a.	
Total	4,997	5,247	8,794	6,683	194.0
Growth rate (%)	22.1	5.0	67.6	94.0	

Table 7. Approved Private Sector Foreign Investments in Indonesia  
(Excluding Those Related to Petroleum)

(Unit: \$1 million)

	Aggregate total at the end of June 1979		1976	1977	1978	1979 (1~6)
	Number	Amount				
U.S.	81	412	-128	27	44	23
Australia	39	173	4	7	2	-
Belgium	15	69	5	25	-	3
Hong Kong	123	753	179	108	47	11
U.K.	40	59	- 8	7	6	11
Japan	198	2,334	65	67	148	16
West Germany	21	170	8	8	-	-
Republic of Korea	15	56	2	9	-	-
Malaysia	23	33	1	1	-	2
The Netherlands	44	188	18	4	33	1
France	10	27	9	-	7	-
The Philippines	14	271	-	2	-	-
Singapore	34	97	6	29	1	-
Switzerland	16	57	-	16	7	-
Taiwan	7	101	59	2	-	-
Others	114	2,096	184	171	135	284
Total	794	6,895	404	483	430	351
[For reference] By the Indonesians themselves		626	50	174	58	65

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Table 8. Japanese Investments in Indonesia by Industries--Balance at End March 1980

(Unit: Amount, \$1 million)

	Securities		Credits		Total		Component ratio (%)
	Number	Amount	Number	Amount	Number	Amount	
Foodstuff	14	10	24	17	38	25	0.7
Textiles	30	174	73	139	103	308	8.0
Lumber & pulp	9	12	48	38	57	50	1.3
Chemicals	27	19	55	42	82	62	1.6
Steel & non-ferrous metals	28	125	52	389	80	514	13.2
Machinery	9	7	11	3	20	10	0.3
Electric equipment	10	11	15	13	25	24	0.6
Transportation machinery	11	22	17	25	28	47	1.2
Others	27	42	41	111	68	153	3.9
Total of manufacturing industries	165	421	336	777	501	1,198	30.8
Agriculture & Forestry	18	31	80	75	98	106	2.7
Fisheries	11	17	49	32	60	49	1.3
Mining	2	11	33	2,333	35	2,344	60.2
Construction	20	9	11	3	31	12	0.3
Commerce	4	4	25	6	29	11	0.3
Banking & insurance	13	5	5	60	18	65	1.7
Others	18	23	50	73	68	96	2.5
Total	251	523	589	3,357	840	3,880	99.8
Real estate					33	7	0.2
Branch offices					4	1	0.03
Grand Total					877	3,888	100.0

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Table 9. Government Sector

Item	Fiscal Year
Gratuitous cooperation	
Reparations	
General gratuitous cooperation	
Gratuitous cultural cooperation	
PR foodstuff aid	
Aid for foodstuff production increase	
Remunerative cooperation	
Aid to projects	
Commodities aids	
Refinancing	
Rescheduling	
Deferred-payment export of rice	
Total	

## Financial Aid to Indonesia (Based on Exchange of Notes)

(Unit: \$1 million)

1975	1976	1977	1978	1979	Total
101,825	2,278	3,598	3,987	4,607	116,295
80,309	-	-	-	-	80,309
4,120	903	1,060	1,900	3,000	10,983
-	32	30	30	50	142
17,396	1,343	1,208	957	957	21,861
-	-	1,300	1,100	600	3,000
578,268	67,250	55,500	90,050	97,936	889,004
341,116	62,250	49,000	90,050	88,000	635,416
145,600	-	6,500	-	-	152,100
26,500	-	-	-	-	26,500
27,633	-	-	-	-	27,633
37,419	-	-	-	9,936	47,355
680,093	69,528	59,098	94,037	102,543	1,005,299

## Economic Cooperation

In order to promote the economic development of Indonesia, Japan is furnishing project aids in cooperation with the IGGI (Inter-Governmental Group on Indonesia) member nations. Japan has promised to lend ¥58,000 million (\$260 million) in 1980.

At present, the cumulative total of financial aid from the Japanese govern-

ment sector (based on the exchange of notes) to Indonesia has exceeded ¥1,000,000 million. It is made up of about ¥100,000 million-worth of economic grants and about ¥900,000 million-worth of remunerative co-operation.

Of Japan's total remunerative aid, Indonesia accounts for about 25%, ranking first. (Table 9) □

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ECONOMIC

BRIEFS

BEIJING ELECTRIC APPLIANCE CENTER--Beijing, 8 Oct (JIJI Press)--Matsushita Electric Trading Co., a trading division of Japan's top electric appliance maker Matsushita Electric Industrial Co., Wednesday opened a service center on the first floor of a building housing the Beijing Television Manufacturing Corp.'s sales division. With one technical instructor from Matsushita and 10 service workers from the Chinese corporation, it will repair black-and-white and color television sets, radio cassettes, tape recorders, radios and audio-visual equipment of Matsushita's four brands, such as "National" and "Panasonic," brought into China from abroad. Matsushita will also provide parts, and equipment and materials for repair. The center, established in accordance with a contract signed 26 August this year, will not deal with products imported by Chinese commercial organizations. The service area is basically limited to Beijing. [Text] [Tokyo JIJI in English 1408 GMT 8 Oct 80]

LOAN TO PAKISTAN--Japan will extend a 9 billion yen loan to Pakistan for a 3-year railway modernization program, the Foreign Ministry announced Monday. The Pakistani authorities plan to use the loan to buy 203 diesel locomotives both through imports and by domestic products by 1983, as part of its efforts to improve the railway transport capacity to cope with increasing demand for freight and passenger transport. The loan will be extended by the Overseas Economic Cooperation Fund, with an annual interest of 2.75 percent, repayable over 30 years with a 10-year grace period. [OW231121 Tokyo THE JAPAN TIMES in English 22 Oct 80 p 10]

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# SCIENCE AND TECHNOLOGY

## RAPID DEVELOPMENT OF INDUSTRIAL ROBOT

Tokyo INDUSTRIA in English Oct 80 pp 19-20

[Text]

The production of industrial robots has been increasing sharply in recent years. According to the Japan Industrial Robot Association, the production in 1978 totaled 10,200 units, worth ¥29,300 million, representing increases of 19% and 36%, respectively, over the previous year. The output in 1979 reached 14,500 units, worth ¥44,300 million, up 42% and 51%, respectively, from 1978. These figures indicate that the production of industrial robots is booming.

The largest client is the automobile industry, which bought about 36% of the products in terms of shipment prices. The Japanese automobile industry, which is rationalizing facilities to cope with the imminent global competition in the sales of compact cars, is actively introducing NC machine tools and industrial robots to their plants. And the electric appliance, synthetic resin moulding and metal processing industries have also begun placing emphasis on the introduction of industrial robots in order to deal with the new age of stable economic development.

The Ministry of International Trade and Industry legislated the Law on the Temporary Steps for the Promotion of Machinery Industry in 1978 and set the target of industrial robot production in 1984 at ¥300,000 million in value. In order to attain the

target, the Government enforced in fiscal 1980 such measures as an industrial robot lease system covered by treasury loans and investments and a special depreciation system.

The industrial robots include those manipulated by men, those conducting sequence work, playback system robots with memories and more sophisticated ones based on built-in minicomputers. The figures announced by the Japan Industrial Robot Association show that the growth in value exceeded that in the number of units, indicating that a greater weight is being given to sophisticated robots. The members of the association as of August, 1980, were 36 companies, which are competing for stepped-up production of high-level robots with a greater value-added to deal with the age when industrial robots are in full use in the wider sector of industries.

Leading manufacturers of industrial robots in Japan are Kawasaki Heavy Industries, Kobe Steel, Mitsubishi Heavy Industries and Yaskawa Electric Mfg. Especially, Kawasaki Heavy

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Industries has supplied the largest number of sophisticated industrial robots in Japan.

One of the company's predecessors, Kawasaki Aircraft, introduced from Unimation Inc. of the United States in November, 1968, techniques for the production of the playback system multi-purpose industrial robot, Unimate. Kawasaki Heavy Industries took over the techniques and started the domestic production of robots in May, 1970, under the brand of Kawasaki-Unimate. Since the robots were suited for spot welding and the automobile industry is the most advanced in spot welding by robots, the company's production totaled 1,000 units in May this year, of which about 40 were exported to the Soviet Union and other countries.

Demand for industrial robots did not expand smoothly for a long time after the company started the production of robots. It was in 1976 that the annual production exceeded 100 units. But the production in recent years has been expanding sharply; it increased from 200 units in 1978 to 260 units in 1979. The output for 1980 is estimated at 450 units. More than 90% of the Kawasaki-Unimate robots are used for spot welding and the company is the largest manufacturer of robots of this type. Kawasaki Heavy Industries is increasing production, while, at the same time; branching out into the field of robots for arc welding and painting.

The movement of arms of the conventional Kawasaki-Unimate robots is polar-coordinated, but the company has marketed a new robot, Type 3330, of the rectangular coordinate type. The company also devel-

oped the multi-arm robot system, Type 6060, whose arms can be increased up to eight in number, compared with the only one arm for a conventional robot. The new robot requires a smaller area for an arm and can be operated more delicately through the adoption of an articulated structure. Since the business partner, Unimation Inc., has not yet produced multi-arm robots, Kawasaki Heavy Industries plans to export the products to Europe and the United States through the sales network of the U.S. firm. Already, the sample unit was exported to Unimation.

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SCIENCE AND TECHNOLOGY

AUTO INDUSTRY DEMANDS CONSTANT TECHNOLOGICAL IMPROVEMENT

Tokyo INDUSTRIA in English Oct 80 pp 20-21

[Text]

In the light of worldwide competition for compact cars, Japan's auto industry is making every effort to develop new energy-saving, economical cars. Based on its own technology, the auto industry has improved its products and lowered its production costs to attain the present position. However, Japanese automakers today are placed in a harsher situation than ever, and they are showing unprecedented enthusiasm about the introduction of new technologies.

The auto industry in this country began to adopt electronics technology to cope with the official restriction on exhaust fume. The adoption stimulated other fields of industries. They started to offer their technologies and products which might be useful for the auto industry, since the Japanese auto industry has become an attractive market for other manufacturers for its huge scale.

The SMC (Sheet Moulding Compound) of Mitsubishi Chemical Industries Ltd. is a good example. The company successfully sold it to the auto industry to be used for automobile parts, such as bumpers, front spoilers, sun roofs and pillars. It helps to save

energy as it is light and strong.

The basic material of SMC is unsaturated polyester resin which is mixed with such fillers as calcium carbonate. Then glass fiber is added to reinforce it. The finished product takes a shape of sheet which is pressed in the high temperatures of 140~150 degrees Centigrade to be turned into a rigid shape.

In Japan, Takeda Chemical Industries, the top pharmaceutical producer, and other makers manufacture SMC for construction materials, bathtubs and tanks. It is also employed for industrial use. To produce industrial-use SMC, Mitsubishi introduced the technology from Menzolit-Werke Albert Schmidt GmbH & Co. KG. of West Germany in June, 1979.

Mitsubishi Chemical Industries set up the Market Development Room (division) independent of its product category three years ago. The "Room" has an automobile section to develop the market related to the auto industry. While the company has been manufacturing plastics for automobiles, these plastics were delivered to plastics processing companies and they

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did not connect the company to automakers directly; automakers used to refuse to buy chemicals directly.

To approach automakers, the automobile section of Mitsubishi Chemical Industries gathered overseas information concerning automobile materials in order to provide automakers with such information. The section also asked the company's research institute to analyze the parts of new model cars marketed. These activities helped the automobile section to grasp what automakers really need in technological development. The introduction of the SMC technology from West Germany was made upon the proposal of the section. Precision parts can be made of such SMC since its contractility is low.

Mitsubishi Chemical Industries succeeded in selling SMC to automakers because it obtained the technologies both for material composition and processing from Mensolit-Werke which produces not only SMC but also molded products and molding dies. While Mitsubishi Chemical Industries has been importing SMC, the company plans to produce it domestically in the fall of this year, if possible. Thus the company is now a supplier of technologies as well as materials.

The problem concerning the sales to the auto industry is that the industry consists of different business groups. Outsiders should not disregard this unique group tie; parts manufacturers are often asked to join a certain group. And the specifications of most parts vary with different automakers, even if these parts serve for

the same purpose. The situation is quite contrary to the electric machinery and equipment industry where parts makers contact machinery and equipment makers freely.

The auto industry requests parts makers to improve their technologies constantly; otherwise they will be placed under the wing of their buyers or refused to continue business within the auto industry.

The same holds true of the auto industries in other countries. Toshiba Corp. developed the electronic engine control system (EEC) and has delivered it to Ford Motor Co. of the United States. But Toshiba is now involved in keen competition with American electric and electronic equipment manufacturers. To cope with the situation, the company is improving the EEC system every year. Together with Toyota Motor and Nippondenso, it is now developing EEC system to be used on the Toyota cars.

Other manufacturers who plan to enter the field of the auto industry include Mitsubishi Rayon Co. and NGK Insulators, Ltd. The former is trying to sell its optical fiber and the latter ceramic catalyst carriers. These products are all beyond the technological capability of automakers.

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END

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